Is Newsprint Merger Needed?

THE FINANCIAL POST

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The Canadian Newspaper for Business Men and Investors

Canadian Mining News Department Page 16

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The Nation's Business

Eight Years of Debt Creation

Billion Added to Public Liabilities

Essential Now That Halt Be Called

Our Growing Burden of Public Debt

THE efforts of The Financial Post to arouse business men and governmental leaders in Canada to the immediate need for a drastic slash in all forms of public expenditure in Canada are meeting with striking success. From many of the country's leading business men, letters have been received expressing complete agreement with the contention made in these columns, during all of the present year but most forcibly in recent weeks, that the primary considerations for every governing body in Canada today must be to curtail ordinary expenditures, to throw overboard most of the spending schemes now under way and to balance every budget—Dominion, provincial and municipal—by reducing expenditures to a mark within the revenues now available.

Newspapers throughout the country have taken up the matter and many vigorous editorials have appeared.

Reports from correspondents of The Financial Post in several of the provinces indicate that a few authorities at least have finally attempted to decide to see if they cannot balance their budgets. It is unfortunate, though, that in most cases the reports indicate that the method to be explored is that of finding new taxes to levy.

This week the Canadian Bankers' Association issued a statement indicating that at the recent meeting in Montreal "the conviction was expressed that many public bodies, judging from the announcements with regard to undertakings and public works in actual construction or contemplated, were not fully seized of present financial conditions and of how far the ability of this country within its own confines, now that borrowing abroad is practically cut off, can provide the necessary funds to meet such outlays.

"There was unanimity in the view," we are informed in the statement, "that there was a responsibility upon each bank to advise its own customers that public borrowing should be limited to requirements of an imperative character only."

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IF ANYONE wants to know why the burden of taxation has risen so sharply in Canada, why the Dominion and the provinces find foreign money markets cool to their offerings, one has only to study the record of extravagant expenditure and reckless borrowing of practically all our governmental units in recent years.

It is a common enough thing for the politicians and for those who do not dig deeply into the facts to blame our present large public debt upon the war. The war is the alibi for many things, but the war can hardly be blamed even indirectly for our spending policies of recent years. If we compile a record of our debt increases in the last eight years, a period which has been largely divorced of war costs, except for pensions, interest charges and similar items that we have no right whatsoever to add to our debt but should pay for out of current income, we discover that the war is only the politicians' alibi.

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BY 1923, Canada, its provinces and its municipalities, had certainly gotten clear of any capital expenditures properly chargeable against the war. We had gone through the period of post-war inflation and were in the midst of the primary period of post-war deflation. There was a great deal of discussion of the burden of the public debt and of the rise in taxation. Governments were being elected on economy programmes. There was a great deal of reason why the world of business could properly have expected that from that point onward there would be a gradual decline in all public debts in Canada.

Let us now examine the records and see what has taken place. In 1923, the public debts of Canada, including the bonds of Canadian National Railways in the hands of the public, amounted to $4,838,300,000. This was divided between the Dominion the provinces and the municipalities as follows:

1923	
Dominion net debt	$2,453,800,000
C.N.R. debt to public	823,100,000
Provincial bonded debts	644,200,000
Municipal bonded debts	917,200,000
Total	$4,838,300,000

Since then, we have added nearly $1,000,000,000 to these public debts. Taking the latest available figures, the approximate, present public debt of the people of Canada is as follows:

1931 (Latest figures in each case)	
Dominion net debt	$2,263,500,000
C.N.R. debt to public	1,182,700,000
Provincial bonded debts	1,090,000,000
Municipal bonded debts	*1,300,000,000
	$5,786,200,000

* Estimated.

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IT WILL be noted that the Dominion Government has decreased its net debt by nearly $200,000,000. On the other hand, the Dominion

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EXCHANGE ADDS TO FREE LIST 42 SECURITIES

Believed Toronto Board Expects Entire Clean-up By New Year's

STILL 78 PEGGED

Many Stocks Are Selling Above Minimum Price Set — Pegging Unnecessary

In adding 42 stocks issued by 37 companies to the free list of the Toronto Stock Exchange, the committee has taken another forward step which will be much appreciated by all Canadian shareholders and traders. The long period during which Canadian stock exchanges have maintained pegged prices on a number of important stocks has not only unsettled the minds of investors as to the real market value of such issues as have been traded in around the pegged prices but has been a real obstacle to investment. Further progress in this direction is hoped for.

The stocks which have just been added to the free list are as follows:

B. C. Packers, pref.
Beatty Bros., pref.
Building Products
Canada Life
Canadian Bakeries, 1st pref.
Canadian General Electric, com.
Canadian Locomotive, com. and pf.
Conduits, pref.
Fanny Farmer, pref.
Frost, Steel and Wire, pref.
Hamilton United, pref.
International Milling, "A"
Kelvinator, pref.
Loew's Theatres, pref.
Maple Leaf, com. and "B"
Mexican Light and Power
Moore, "A" and "B"
Orange Crush, 1st pref.
Porto Rico, pref.
Russell, com. and pref.
Traymore, pref.
Canadian Dredge,
Laura Secord
Photo Engravers
Consolidated Press
Blue Ribbon, com.
Bissell, com. and pref.
Biltmore Hats, pref.
Canada Paving, pref.
Consolidated Sand and Gravel, pref.
Disher Steel, pref.
Farmers Dairy, pref.
Goodyear Tire, com.
Standard Paving, pref.
Supertest, "A" pref.
Thayers, pref.
United Fuel, pref.

Minimum prices have been fixed on the following stocks:
Consumers' Gas, 177
Rogers Majestic, 8

There are 244 stocks listed on the regular section and the curb section of the Toronto Stock Exchange. Of the whole list 78 stocks remain pegged, and 48 of these are on the "big board" and 21 are listed on the Curb. Of these 78 pegged stocks 22 have their primary market outside of Toronto and so the Exchange must await action on these elsewhere. There are nine stocks which have a divided market between Toronto and other points, and there are as well seven bank stocks and stocks of ten institutions. This leaves 30 stocks of those that remain pegged, for which responsibility to a certain extent must be taken by the Exchange.

Want Entire Free Market

The Toronto Stock Exchange has so far given leadership in Canada in the matter of establishing a free market on stocks of miscellaneous companies and it is understood that before the end of the year there will be a free market in every stock for which it is responsible. The New York stock Exchange put all its stocks back on the free list within a very few days after the epoch-making announcement of the British Government that the British pound was no longer on the gold bullion standard. A free market is the only kind of securities market which is of value to investors and many traders, brokers and investors feel that a return to such a market has been too long delayed.

Apparently in the case of a number of stocks which are still pegged, such pegging is unnecessary as these stocks are selling higher than the pegged prices. The retention of the pegged price in each such case is actually a disservice to the stock in that it suggests to traders that there may be some hidden weakness which makes the retention desirable. The view that a free market would be a help rather than a weakness is strengthened by the fact that all stocks, except one,

(Continued on page 2, col. 2)

Bonds Are Offered Contrary to Ruling

A rule laid down by the general management committee, permits no offering of the new National Service Loan bonds before November 23, to other than institutional investors. This rule was also in effect prior to the Conversion Loan campaign but it exists, apparently, only to be broken. While a number of prominent investment houses have abided by the ruling, the majority have broken the spirit of the rule by sending out letters to clients and in some cases there has been direct solicitation of business. At least one of the banks has set out most of the provisions of the new bonds in a letter to clients.

It is understood that severe penalties have been threatened to those who might seek to anticipate the official opening of the campaign. Several cases, it is believed, have been brought to the attention of the committee. No announcement has been made as to action which may be taken.

PROGRESS SEEN IN BRAZIL MOVE FOR ECONOMY

Bankers Opposed to Plan to Burn Entire Coffee Surplus

As interest of holders of Brazilian Traction, Light & Power common stock and the large number of Canadian owners of Brazil Government bonds remains concentrated for the time on all events affecting the trade and financial position of the country as a whole, it is interesting to note that citizens of Brazil take sharp exception to pessimistic conclusions based only on the fact that the milreis is now quoted at an exchange value of about 6.30 cents in American money and about 7 cents in Canadian money and that the Government has declared a moratorium on certain external obligations.

The moratorium, they argue, is made necessary by the exchange situation and they think that there would be no good, visible reason for the exchange situation in normal times in view of the fact that there was a favorable trade balance in 1929 of nearly $40,000,000, in 1930 of nearly $60,000,000 and a probable favorable trade balance of nearly $100,000,000 for 1931. Brazil, it is pointed out, is making no efforts at foreign loans at all at present because, first, it is the fixed policy of the present adminstration not to make new loans to pay off old ones or to fill budgetary deficits except as a last resort, and second, because loans cannot be made on reasonable terms in this period of stress.

Burning Coffee

On the other side chief reason for pessimism is the tremendous surplus of coffee still in Brazil. As coffee is to Brazil what wheat is to Canada, this item is one of great importance. All sorts of stories come from Brazil as to further measures which may be taken.

Already nearly 2,800,000 bags of coffee have been destroyed by

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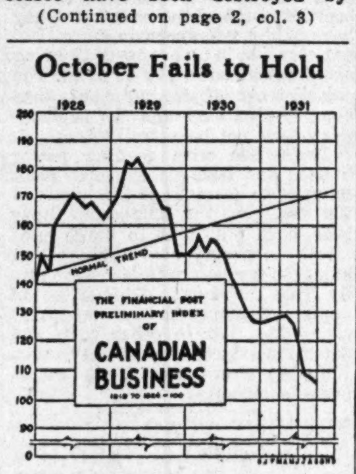
October Fails to Hold



The Financial Post preliminary index of Canadian business showed a further slight decline in October indicating that the strength of September indices was not maintained. Most factors in the index showed little change from the previous month.

Montreal Cotton Sales Show Increase in West

From Our Own Correspondent

MONTREAL.—Montreal Cottons continues to hold its sales and earnings above those of last year. Recent operations have been given a fillip by orders from Western Canada which are attributed to seasonal influences in part and to a better feeling in the west following improved wheat prices. Whatever the cause, it is stated that orders which were not in sight a few weeks ago have now come in in fair volume from the west.

Montreal Cottons is the only one of the large cotton companies in Canada which closes its fiscal period with the calendar year. In 1930 operations resulted in a loss of $329,361 which was reduced to $130,888 by addition of other income. After all deductions, which included payment of preferred and common dividends, there was a total deficit of $570,507 for the year. Dividends on both classes of stock are presently maintained.

The company is steadily progressing with the installation of new equipment at its mill at Valleyfield. When this work is completed, which should be by the end of the year, Montreal Cottons will be fully equipped as a fine goods, fancy and colored organization. In this connection the company is receiving the operating and technical assistance of Dominion Textile Co. with which it is now closely affiliated.

DOMINION LOAN STRIKES APPEAL OF PATRIOTISM

Provisions Meet Needs of Large and Small Investors

YIELD IS GOOD

Nation-wide Campaign is Under Way to Secure $150,000,000 By December 12

Details of Canada's National Service Loan will be officially announced on November 23 and Canadian banks and bondhouses have already marshalled their forces to place a total issue of $150,000,000 between that date and December 12 when subscription books will be closed. As exclusively announced in The Financial Post of last week, bonds will be available in two maturities, both bearing a 5 per cent coupon rate. Dated November 15, 1931, the five year bonds due in 1936 will be offered at 99¼ to yield 5.172 per cent to maturity while the ten year bonds, due November 15, 1941, will be offered at 99 to yield approximately 5.13 per cent.

The issue, which is purely internal, will not exceed $150,000,000. Denominations of $500 and $1,000 will be available in both maturities with a $100 denomination available in the five year bonds only. Payment of principal and interest is to be made in "lawful money of Canada," principal repayment at maturity being made at the office of the receiver general of Canada at Ottawa or at offices of the assistant receiver-general in the principal cities of Canada. Interest is payable half-yearly, without charge, at any branch of any chartered bank in Canada.

Commission Is Small

The organization responsible for the selling of the bonds is practically the same as that which successfully exchanged $639,816,500 of Dominion Conversion Loan bonds for outstanding bonds in May, 1931. Both the banks and the larger investment houses are represented on the various committees responsible for the details of the campaign. The Minister of Finance is allowing a commission of ¾ of 1 per cent for the sale of the new issue as compared with ½ of 1 per cent allowed for the Conversion Loan. The task involved is considerably greater in the present case since with the Conversion Loan there was a direct exchange, on favorable terms, with no money involved, whereas Canadians must provide nearly $150,000,000 to assure the success of the National Service Loan.

As in the Conversion Loan, life and fire insurance companies and trust and loan companies will be approached directly by members of the Special Names Committee. The offering of the bonds to this type of investor started on Tuesday, November 17. In very large degree, the success of the loan depends on those investors canvassed by the Special Names Committee. Commissions on subscriptions received by this committee are turned in to the Central Committee.

Other types of investors, corporate and private, will be canvassed by representatives of investment houses and banks and this type of business is thrown open to competition. While, according to the rules laid down, the canvassing of these investors is not permitted until November 23 it is believed that a considerable amount of preliminary sales work has already been done by a number of investment houses and certain of the banks. Investment houses and banks will not receive commissions directly but will share in the total commission payable in the proportion that the subscriptions secured by an individual house bears to the total amount of bonds subscribed. The commission payable on account of business secured by the special names committee is therefore divided among all members of the central group.

Believe Success Assured

Little doubt is expressed in investment circles that the National Service Loan will be fully subscribed by the time the books close on December 12. That such success is vital to Canada's credit and will influence future borrowing, both here and in the United States, is admitted, and accentuates the necessity of the current loan being fully successful. The fact remains, however, that regardless of the large amounts held by the banks in savings and demand deposits, placement of the loan will require a very considerable amount of hard work that will not be very remunerative to those engaged in selling the bonds. Both banks and investment houses are entering into the campaign whole-heartedly, spurred on by the needs of the occasion and the element of patriotism that is involved in the effort. Investors are being offered a relatively high yield on Canada's foremost security combined with an opportunity to be of distinct service to the country. Bonds of $100 denomination permit even the smallest of investors to participate.

The country-wide organization handling the service loan is governed by the general management committee headed by Sir Charles Gordon, as chairman, and Victor M. Drury, vice-chairman. An honorary advisory committee includes in its membership the lieutenant-governor and premier of each of the

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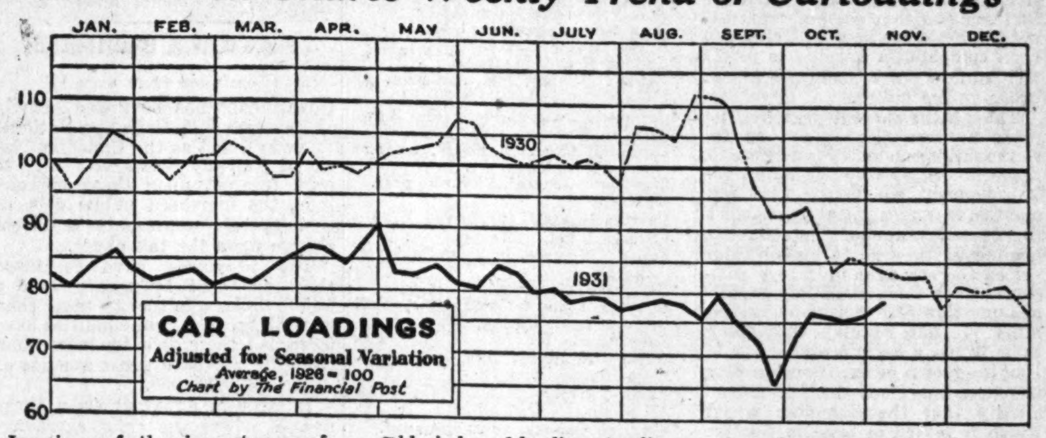
New Index Charts Weekly Trend of Carloadings



In view of the importance of carloadings as a business indicator the Dominion Bureau of Statistics has prepared a new weekly index of loadings to eliminate seasonal variations, holidays and so forth and give an accurate comparative picture of these important data. Loadings it will be seen are currently 21 per cent below normal, but a good increase is under way.

Move Toward Consolidation Of Newsprint Manufacturers Faced With Many Problems

Strong Sponsorship is Feature of Latest Plan

CONTROL 10,700 TONS

If Plans Mature, Company Would Control Over Half of North American Output

From Our Own Correspondent

MONTREAL.—Negotiations looking toward a consolidation of the majority of Canadian newsprint manufacturers have really only begun. The proposed merger has many problems to be faced before it can be finally effected.

Over a year ago The Financial Post first drew attention to the fact that the trend of developments in the newsprint industry clearly pointed to an attempt being made to bring together the major operators. On December 4, 1930, attention was drawn to the fact that E. W. Beatty, chairman and president of the Canadian Pacific Railway, had begun to take more than a passing interest in helping to solve the problems of the industry.

Group Work on Problem

Mr. Beatty and representatives of the three largest Canadian banks have been studying the situation and have laid the groundwork which may bring about a consolidation of the largest newsprint manufacturers.

Hitherto attempts at a super-merger have failed largely because of the lack of proper sponsorship. While feeling the need of some closer form of co-operation, the desire of the operators has been to secure the utmost consideration, each for his own company. With all the jockeying for position and with a general feeling of distrust, no concrete development ever came out of previous discussions.

Heavy borrowings from Canadian banks have given the impetus for the present discussions. The newsprint industry is into the banks for millions; now the banks are taking steps to protect themselves. It is evident that they want the merger.

Borrowing is Heavy

The extent of this borrowing is more fully appreciated from an examination of the following list showing bank loans of some of the larger operators at the end of 1930. This list is by no means complete nor do the figures accurately portray the current situation. They are of value, however, in that while bank loans are in a constant state of flux, the earning power of the companies concerned has been such that it is unlikely any material re-

(Continued on page 2, col. 4)

Developments in Newspaper Merger

Practically all Eastern producers have agreed to join a super-merger.

Heavy frozen loans in industry have brought pressure from banks to effect merger.

International Paper willing to put its Canadian mills into deal.

New company would control 10,700 tons a day of total North American capacity of 19,002 tons.

Plan involves further writing down of capitalization.

Is Newsprint Merger Right Way Out?

Which way out for newsprint—a merger or the survival of the fittest? That is the question raised by the present discussion of a giant consolidation of practically all the mills.

Canadian newsprint operators feel that they need some closer form of co-operation than has existed heretofore. They feel now that unless immediate steps are taken to overcome internal ills, an even more chaotic state of affairs is likely to develop.

Newsprint has definitely taken its place as a world commodity. Though Canada controls nearly one-third of the total annual production that fact alone is not sufficient to enable her to set an arbitrary price for the product. This statement is borne out by the fact that at present newsprint can be bought in New York under the Canadian contract prices.

See Co-operation as Way Out

Faced with competition from American, Scandinavian and other mills, Canadian manufacturers have a serious problem on their hands. Large tonnage is all important and they cannot afford to lose any business offering. At the same time it is desirable that prices be maintained at a level which will permit a reasonable return on capital.

In the belief that co-operation will bring stability, discussions have been held by the principal manufacturers—under the auspices of a strong banking and industrial group. It is stated that consolidation of the leading producers is in mind. Announcement to that effect has already been harmful to the industry as a whole, especially at this time when contracts with American publishers are up for consideration.

There is no sense blinking the fact that in the past the attitude of the Canadian newsprint companies toward the American publisher has not been at all conducive to harmonious relations. The announcement of a prospective consolidation will give grounds for the suspicion that a combine is being formed. Whether or not such a deal goes through, the mere fact that such a proposal is under discussion will make it difficult for the manufacturers to deal with the publisher on a mutually satisfactory basis.

Those interests working for the welfare of the industry have in mind no proposals designed to hurt the consumer. But any serious consideration of a consolidation will have to give close attention to the maintenance of friendly relations with the American publisher—the largest buyer of Canadian newsprint.

May Offend Own Best Customers

There is reason to believe that a consolidation of the principal Eastern operators will offend our best customers in the United States. These customers fearing a potential monopoly will tend to give encouragement to other sources of supply; to back their own mills at home financially; to buy as much as possible from Europe; and to bring pressure to bear upon their government to open up the Alaskan timber limits. Even if a consolidation were accomplished by an immediate decrease in the price of newsprint Canada has to consider the long term viewpoint, and five years from now there might be very material opposition to the so-called Canadian monopoly.

Looking at the matter squarely a consolidation of manufacturers would bring about a better allocation of tonnage and might in turn make for more economic exploitation of a natural resource. It would further be the means of establishing a uniform policy and might also tend to hold prices at a more reasonable level than if unrestricted competition were allowed. The merger would thus prevent competition between Canadian mills.

But is competition between Canadian mills undesirable? Is it not, after all, the best assurance of efficiency, of economical operations? It is doubtful if greater efficiency would result from a merger. Reduction of overhead costs can best be had by allowing the mills to operate independently of each other. If this means that some mills will have to go through a process of financial reorganization in which part of their bonded indebtedness would be wiped out, then such a move is obviously necessary and should come about.

New Mills Might Come in Time

The future attitude of the provinces is also important. Admittedly there is little inducement to set up new mills now or in the near future. Ontario and Quebec might hold back in granting new timber leases for many years, but the Maritime provinces and British Columbia might feel that they are under no obligation to do so. Thus, the merger would be faced in time with new independent mills in Canada.

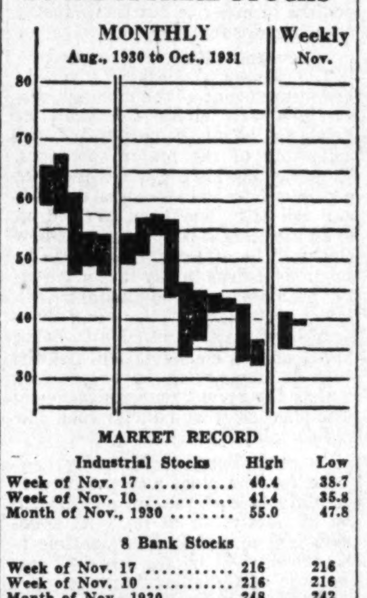
Then there is the attitude of the investor to be considered. Some of these holding securities of the weaker mills, would benefit from a merger that would average up their holdings. On the other hand, holders of securities of the better mills would lose something through the concessions they would have to make to the weaker mills. While the holders of securities of the better mills might get a better deal in the merger, there would be a great deal of negotiating and jockeying around, and in these negotiations even these holders may lose something in concessions made to others.

Would Competition Be Best Way Out?

The need for remedying the newsprint situation is obvious. Whether a consolidation will prove to be the panacea of present ills is as yet to be determined. There are many responsible observers, who feel that the Canadian newsprint industry is already over-merged and already numbers too many unwieldy units. These observers feel that the only sound course is for the industry to find out by a process of competition just where there is efficiency and where there is inefficiency; where there is reasonable bond or share capitalization and where there is water. These observers point to the experience of cartels, price-fixing agreements, pools or combines in wheat, coffee, silk and a host of other commodities, where sheer size of market control has proven more of a menace than a blessing.

With all such considerations to be explored, the newsprint merger is not an immediate prospect.

Stock Market



MARKET RECORD

Industrial Stocks	High	Low
Week of Nov. 17	40.4	38.7
Week of Nov. 10	41.4	35.8
Month of Nov., 1930	55.0	47.8
8 Bank Stocks		
Week of Nov. 17	216	216
Week of Nov. 10	216	216
Month of Nov., 1930	248	242
10 Public Utilities		
Week of Nov. 17	62	59
Week of Nov. 10	63	58
Month of Nov., 1930	85	79

PRESENT PLAN USURPS WORK TARIFF BOARD

Orders-in-Council Give Canada Highly Flexible Tariff

MANY CHANGES

Government Has Made Free Use of Special Powers to Fix Duty Values on Many Lines

From Our Own Correspondent

OTTAWA.—There is a notable absence of activity at Ottawa in regard to the new Tariff Commission and the explanation given in semi-official quarters is that the government is using the special tariff powers conferred by statute in September, 1930, to make whatever tariff adjustments are presently required.

This, of course, will not be the official explanation of the delay in organizing the commission. The cabinet is more likely to say that attempts were made, but that the right men for the commission were not readily available.

No Need at Present

The fact is, however, that a tariff board would not fit into the present government's method of effective tariff changes. Such a body, in fact, would be in the way, something of a fifth wheel on the administration's tariff policy, would involve delays and public controversies whereas right now desired action is taken by the simple process of passing an order-in-council and issuing a memorandum to port collectors.

While the government has made free use of the special powers of 1930, there have not been wholesale tariff increases. Rumors to this effect are without foundation. But a dozen or more orders have been issued since the last budget, fixing duty values or controlling discounts given by foreign manufacturers.

Lumber Presents Problem

In some cases, indeed, the government has moved to reduce the tariff. The item which has caused greatest difficulty to the government in the past few months, is finished lumber. Values for duty purposes were fixed about 30 per cent in advance of current prices, and subsequently discount rates were regularized. Then, in the budget, a 1 per cent sales tax was imposed upon all imports. The United States government objected to this tax of 1 per cent. Retaliatory action was threatened, Canadian lumbermen export $22,000,000 annually to the Republic, and the tariff is very low.

Faced with a prospect of losing this market, the Canadian government has withdrawn the 1 per cent tax on imports, in so far as it affects lumber, and made the withdrawal retroactive to June 2. There remain, of course, the general tariff of 25 per cent, the fixed values for duty purposes, and the discount regulations.

Hats and Furniture

Additional protection has been given to Canadian hat manufacturers. An additional $1.50 per dozen is to be added to the ordinary import price of all hats, and if there is any evidence to show that foreign manufacturers are cutting Canadian prices to avoid this impost, dump duties will be added. The tariff on hats now stands at 22½ per cent British preference; 30 per cent intermediate; 35 per cent general. These duties are applied, now, on the import price of hats, plus $1.50 per dozen.

A minimum import value on wicker furniture has been fixed by the government at $4 per article. This price applies to the point

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SPECIAL FEATURES

Is Newsprint Merger Right Way Out? .. 1

Flour Exports Record Drop in First Quarter

Present Crop Year Begins Badly for Millers — Some Hope Seen for Improvement in Later Months of Year

From Our Own Correspondent

MONTREAL.—Exports of flour from Canada, which provide a fairly accurate picture of flour milling operations in the Dominion, continue to record declines. In the first quarter of the current crop year total exports were lower than those of the same period last year while shipments in the month of October were also lower.

Total exports in the three months ended October 31, 1931, amounted to 1,637,202 barrels compared with 2,175,273 in the same period last year. Exports in the month of October, 1931, were 558,459 barrels against 813,691 barrels in October, 1930.

Values Show Decline

Values showed a similar decline. Flour shipped for export in the three months ended October, 1931, had a value of $5,597,849, compared with $10,233,463 in the same three months of 1930 while October exports this year were valued at $1,887,685 against $3,659,857 in October last year.

While comparisons with last year reveal declines, they are more unfortunate when it is realized that the 1930-1931 year was a singularly poor year for the milling industry as a whole. Exports last year were below those of the previous period which in turn were sharply down from the year before that.

Earnings Were Affected

Earnings of the four leading milling companies in Canada, in which there is an investment interest, have dwindled steadily in the past two years largely as a result of the falling off in exports. Too rapid expansion into the bakery field has also played a part, but the fact remains that demand from export markets has been declining and keen competition has led to prices which allow but a small margin of profit to the miller.

Though the current year has not made an auspicious start, as far as the milling industry is concerned, there are those who see hopes for improvement within the next few months. Stronger wheat prices work to the advantage of the industry, leading as they do to higher flour prices and stronger inventory positions. Then there is the all important question of a British quota for mills in that country compelling them to use a certain proportion of Empire-grown grain. If such a plan is placed in effect there is a possibility that the Canadian wheat which is milled in bond in Buffalo may be milled in Canada and that Canadian mills might secure some of the American business.

In the last crop year almost 40 per cent of the total exports of flour made from Canadian wheat was milled in bond in Buffalo, a fact which illustrates the possibilities which might arise from the transfer of some of the business to Canadian mills.

DOMINION LOAN STRIKES APPEAL OF PATRIOTISM

(Continued from page 1)

provinces, together with other prominent citizens. The membership of the various working committees has been announced as follows:

Management Committee

General management committee: Honorary chairman, Premier R. B. Bennett and Hon. E. N. Rhodes, Acting Minister of Finance; chairman, Sir Charles Gordon, G.B.E., president of the Bank of Montreal; vice-chairman, Victor H. Drury, president of Drury & Co.; members, J. A. McLeod, president Canadian Bankers' Association and general manager of the Bank of Nova Scotia; M. W. Wilson, general manager, Royal Bank of Canada; S. H. Logan, general manager, Canadian Bank of Commerce; Beaudry Leman, general manager, Banque Canadienne Nationale; H. R. Tudhope, Ames & Co.; A. F. White, Dominion Securities Corp.; J. H. Gundy, Wood, Gundy & Co.; E. G. Hanson, Hanson Bros.; I. W. Killam, Royal Securities Corp.; A. J. Nesbitt, Nesbitt, Thomson & Co.; J. G. Weir, vice-president, Investment Bankers' Association and member of McLeod, Young, Weir & Co.; E. Savard, Savard, Ltée.; R. A. Daly, R. A. Daly & Co., and A. J. L. Haskell, Bank of Montreal, secretary of the committee.

Publicity committee—Chairman, J. A. Eccles, Harris, Forbes & Co.; D. I. McLeod, McLeod, Young, Weir & Co.; and a member of the Department of Finance.

Dealers' names committee—Chairman, R. E. Haldenby, Dominion Securities Corp.; vice-chairman, Harold Fry, Fry, Mills, Spence & Co.; S. B. Heath, Hanson Bros.; A. T. Robb, Fry, Mills, Spence & Co.; K. C. Collier, Collier, Norris & Henderson; C. P. Fell, Matthews & Co.; H. S. Leeming, Ames & Co., and J. Gairdner, Gairdner & Co.

Special Names Committee

Special names committee—Chairman, J. A. Fraser, Dominion Securities; vice-chairman, D. H. Baldwin, Nesbitt, Thomson & Co. Members: J. P. Kempf, Credit Anglo-Francais, Ltd.; C. V. Heward, Drury & Co.; Norman Brook, Royal Securities Corp.; Norman Scott, Pitfield, Scott & Co.; J. O. Hasting, Hanson Bros.; W. S. M. McTier, National City Co.; H. J. Hannaford, Hannaford, Birks & Co., Ltd.; R. L. Warren, Ames & Co.; R. W. Gouinlock, Bell, Gouinlock & Co.; H. W. Loft, Wood, Gundy & Co.; Paul Flemming, Flemming, Denton & Co.; H. E. Cochran, Cochran, Cochran, Murray & Co.; J. H. Christie, R. A. Daly & Co.

Routine committee—Chairman, A. J. L. Haschell, Bank of Montreal. Members: H. J. Coon, Bank of Nova Scotia; R. A. Daly, Daly & Co.; W. B. MacDonald, Ames & Co.

EXCHANGE ADDS TO FREE LIST 42 SECURITIES

(Continued from page 1)

put on the free list actually sold higher instead of lower. The solitary exception on November 17 was Russell Motor preferred and this happened because there were no bids in the market when offerings came, interest in most motor company stocks being under present circumstances rather low.

Stocks which are still pegged are given in the following list, which includes all too many of the important Canadian stocks, a star (*) being shown opposite a number of stocks whose market price was above the pegged price when this article was written.

Toronto Curb

Canada Bud
Dominion Bridge
English Electric A
Hamilton Bridge
Imperial Tobacco
*McColl-Frontenac, com. and pref.
*Montreal Power
National Steel Car
Power Corp.
Shawinigan
Tamblyn's, com. and pref.
Beath
*Dominion Tar & Chemical, common and preferred

Listed Section

Alberta Grain, preferred
Atlantic Sugar
B. C. Power, "A" and "B"
*Bell Telephone
Blue Ribbon, preferred
Besco, first preferred
*Canada Bread, preferred
*Canada Cement, com. and pref.
Canada S. S. Lines, preferred.
*Canada Wire & Cable, A and B
All Canadian Canners stocks
Canadian Car & Foundry, common and preferred
Canadian General Electric, pref.
*Smelters
Cosmos Imperial, preferred
Eastern Steel, preferred
Famous Players, common and voting trust
*Goodyear Tire, pref.
Gypsum Lime & Alabastine, pref.
International Milling, 1st pref.
Lake of the Woods
Ontario Equitable Life
*Page-Hersey
*Pressed Metals
All Simpson's issues
*Steel of Canada, com. and pref.
Tip Top Tailors, pref.
Western Canada Flour, pref.
Winnipeg Electric, com. and pref.

PROGRESS SEEN IN BRAZIL MOVE FOR ECONOMY

(Continued from page 1)

Brazilian Governmental agencies in an effort to eliminate part of that country's surplus, according to estimates made by the New York Coffee and Sugar Exchange. The coffee destroyed had a value exceeding $10,000,000 in Brazil.

From September, 1930, to June, 1931, a total of 479,000 bags were destroyed by the Sao Paulo Institute. This total consisted of low grade coffee which was confiscated by the institute.

From June, 1931, to October 22 an additional 1,738,000 bags were destroyed under the direction of the National Coffee Council. This amount consisted of higher grade coffee which was actually purchased by the Government with money levied from export taxes. Cables from Brazil report that the Government is planning an internal bond issue of 200,000 contos, about $12,000,000, to be used to buy up coffee in the interior and expedite the destruction. The report is not official.

Suggested Burning Total Surplus

The National Coffee Council, which is directing the destruction, is composed of representatives of the coffee-producing states and the Federal Government. It is a self-governing body with authority to make decisions and carry out plans with a minimum of delay. The council collects a tax of $2.43 on every bag of coffee exported from Brazil. This money is used in purchasing the surplus. Coffee so purchased is then destroyed by the process of dumping it in swamp lands, covering with oil and burning. At present they are destroying on the average of 20,000 bags a day.

The National Coffee Council has asked the president to reorganize the body in a way to give it greater autonomy and a larger radius of action generally. The plan advanced recently by the Sao Paulo farmers' commission for the early destruction of Brazil's entire interior coffee stocks which on November 1 totalled 25,290,000 bags is more drastic than is likely to be accepted. The farmers state that this would eliminate the coffee surplus which has been hanging over their heads for 25 years and more especially in the last two or three years. Consent of the foreign banking syndicate headed by Speyer & Co. which lent $97,330,000 in a realization loan on April 30, 1930, secured by a pledge of the sale of 16,500,000 bags of surplus stocks over a period of ten years would be necessary. Such destruction would wipe out their equity and so far plans to give alternative guarantee in a 10 shilling export tax per bag over four years have not proved acceptable. New York advices indicate that bankers would be opposed to any change.

Can Pay in Brazilian Money

In an effort to maintain its financial position intact against such time as payment can be made on foreign loans, the Ministers of Justice and Finance of the Brazilian Government at Rio de Janeiro have instructed the provisional governors of all states and municipalities unable to meet foreign debts in foreign currency to deposit in Brazilian banks milreis for interest and amortization charges when due. The Government's special commission organized for studying state and municipal loans reports numerous instances of states and municipalities receiving only a small part of the total funds raised by bond sales by foreign investment houses. These loans were arranged under the old regime and the commission charges that profits were shared with the foreign loan firms. It was stated that one state owes £400,000 on the bond issue for which it received only £160,000. A few states and municipalities are now in a position to re-pay their foreign debts, but most of them are taking advantage of the recently declared moratorium.

Sticks to Government Ownership

Following the Brazilian Government's reorganization of the Central Railway, connecting Sao Paulo and Rio de Janeiro, more than 1,000 employees were dismissed on November 1, according to a Sao Paulo message. It is hoped by such drastic cuts to reduce expenses sufficiently to eliminate the deficit next year.

Jose Americo, Minister of Communications, has asserted that he is opposed to selling or leasing to foreign interests the Brazilian Central Railway and the Lloyd National Steamship Line, two of the largest in the Brazilian Government monopoly. He said such sale would not coincide with the Government's policy of encouraging Brazilian industries and that it would weaken the nation's debentures. He claims that there has been improvement in the financial condition of both lines under the new government. He stated that the Central Railway deficit was $10,000,000 in 1929, but had been reduced this year to below $1,000,000. It may be remarked that Sir Otto Neimeyer in his report advocated the disposal of all government monopolies. United States interests were reported to be negotiating the leases of the lines.

NATION'S BUSINESS

(Continued from page 1)

Government has borrowed heavily on account of the Canadian National Railways, and as the Canadian National Railway shows no ability to earn interest upon these borrowings, the increased public debt of this system represents a direct charge upon the tax payer.

The provinces have increased their net debt by nearly half a billion dollars, in fact by more than two-thirds. The municipalities have increased their debt by more than two-fifths or by a gross amount of nearly $400,000,000.

It is quite apparent from these figures where the chief extravagance has been. It has been in the provinces and the municipalities. In nearly every case, the provinces and cities have added new services, new schemes, new projects to their government services and each one of these has added to the weight on the taxpayer. Many of the services have been labelled self-supporting but, in all too many cases, the so-called self-supporting enterprises have proven a heavy burden to the provinces and cities and their taxpayers. In any event, they add to total weight of the debt, to the total amount of borrowing. They use up that much of the capital that is available for the purchase of government bonds. No government could go on indefinitely borrowing even for profitable ventures.

* * *

BUT it must not be assumed that this increase in provincial and municipal debts is due to this one cause alone—to larger investments in public utilities. Paternalistic schemes beyond number have been instituted. The provinces have sought to widen their legislative functions and have fought in the Privy Council for the right to control this or that phase of social or political life. Each victory they have won has been a costly one, for the boost given to their pride has been decidedly at the expense of the treasury.

Let us set down the net change in governmental debts since 1923 in Canada. The figures are as follows:

	Net Change
Dominion, Decrease	$190,300,000
C.N.R., Increase	309,600,000
Provinces, Increase	445,800,000
Municipalities, Increase	382,800,000
Net increase	$947,900,000

Further comments are hardly necessary. The record tells its own story—a story of reckless piling up of public debts, the story of a policy that is today bearing us bitter fruit.

Today we are continuing to spend public money at as rapid a rate but borrowing is not so simple. Capital expenditures are being financed temporarily and bank advances to provinces and municipalities have increased by $31,000,000 in the past year.

Elsewhere in this issue some striking figures are given to show the increasing deficits of Canadian provinces. Unfortunately, estimates for the current year are difficult to make. There will be alarming deficits in most of the provinces.

MOVE TOWARD CONSOLIDATION FACED WITH MANY PROBLEMS

(Continued from page 1)

ductions have been made in these obligations.

(Year ended December 31, 1930, in nearly all cases)

St. Lawrence Corp.	$1,446,878
Donnacona	767,012
Price Bros.	2,333,241
Minnesota & Ontario	3,600,000
Mersey	3,853,000
Canada Power	15,116,000
Abitibi	4,500,000
Inter. Paper (amount unknown)	......
Howard Smith	1,637,000
Hinde and Dauch	200,000
Firstbrook Boxes	213,328
Fraser	5,360,000
" (overdraft)	18,628
" (loan on mtge.)	1,000,000

These figures are necessarily subject to revision. Some of the loans may have been redeemed, others increased. The figures are of value, however, in showing in a general way the extent to which the pulp and paper companies have had to borrow from the banks.

Banks Are Interested

With this heavy stake in the pulp and paper business it stands to reason that the banks are vitally interested in the welfare of the industry. These loans are, of course, secured either under Section 88 of the Bank Act or by collateral, but it is one of the primary functions of a bank to render assistance where and when such help is needed.

It is to that end that several meetings have been held by the bankers' group in order to determine what course of action is expedient in order to put the industry on a sounder footing.

Corporate Merger Proposed

The Financial Post is given to understand that at the moment, discussions are along the lines of bringing about a corporate consolidation of the major operators. Negotiations have not advanced to a point where values can be discussed. All that has been arrived at is an agreement to merge. Just how that will be effected remains to be seen. Needless to say it is a gigantic problem and one fraught with many obstacles. With strong sponsorship it may be possible to bring about such a consolidation, but the task is one which in comparison makes the recent reorganization of Canada Power and Paper look like child's play.

Seek Tonnage Majority

In the first place a corporate consolidation, such as proposed, will be ineffective or at least its sponsors feel so, unless it is possible to secure control of the greater percentage of Canadian tonnage.

Viewing this prospect, there are certain considerations to bear in mind. First the Pacific Coast mills need not enter into the undertaking, inasmuch as their operations and markets are outside of the area in which the Eastern mills are concerned.

Turning to the East, there are a number of newsprint operators which, for one reason or another, would not be interested in joining the proposed consolidation.

The Ontario Paper Co., for example, is controlled by the Chicago Tribune interests and its entire output is marketed through two or possibly more papers. Its operations have little or no effect on the general market.

The E. B. Eddy Co., while a newsprint producer, is engaged in many other branches of paper-making, so that its entry into the fold is unlikely.

Spruce Falls Pulp and Paper Co., is in much the same position as the Ontario Paper Co., being owned by the Kimberley-Clark Corp. and the New York Times. It is a private enterprise and has an assured market for its output.

There are several other producers—of a smaller size—which would not likely be interested in the present negotiations. Among these might be included the J. R. Booth Co., Beaver, News, etc.

Prospects for Merger

The balance of the field are prospects for the new consolidation. In this group are Abitibi, Anglo-Canadian, St. Lawrence Corp., Consolidated Paper Corp. (Canada Power and Paper), Price Bros., Donnacona, Thunder Bay, James MacLaren Co., and Mersey Paper.

It is also understood by The Financial Post that, provided equitable arrangements can be arrived at, International Paper and Power Co., is not adverse to putting its properties into the proposed consolidation. These included the mills of Canadian International Paper Co., New Brunswick International Paper's plant at Dalhousie and International Power and Paper Co. of Newfoundland's mill at Corner Brook.

At this stage, of course, there is no assurance that all of these companies will merge. Provided they do the new concern would have under its control newsprint with a daily capacity in the neighborhood of 10,700 tons. This compares with the North American rated capacity of 19,002 tons.

More Efficient Selling?

One of the benefits which it is claimed would arise out of such control would be the more economical utilization of the country's forest wealth. With the contracts of all these companies handled through one agency, it is hoped that they could be more economically handled than under the present system. Thus a Maritime mill might be better able to handle business in a New England area than say one in Quebec. The mills at Fort William or Pine Falls might handle business more economically in the mid-West area than those in Ontario and so on.

There are other angles of such a consolidation favorable and unfavorable, which will have to be considered.

Investor is Interested

In the first place there is the investor to consider. Obviously certain companies are in better position than others. Some have assets of immense future value, but, which at present, are of little worth and, in fact, may be a millstone. A common yardstick may be set up, but it is unlikely to meet with the approval of all investors.

It may be necessary to set an arbitrary value upon securities of those companies which enter into the consolidation. As in the case of Canada Power it may be found necessary to bring about a deflation of values. Others may have a higher value than that set by the market.

Points to Consider

The value of existing contracts will have to be taken into consideration. The outlay on mills, timber limits, power plants, dams, etc., will be another matter for discussion. Production costs of the different properties will have a bearing upon determining security values. All in all it is a task of no mean size and one which will entail a vast amount of work before an equitable arrangement can be concluded.

All these points will have to be given earnest consideration in any discussion looking toward a consolidation. Investors in pulp and paper securities have fared badly over the past two or three years and further deflation in values will not rest lightly upon them.

History of Industry

Developments leading to the present situation in the newsprint industry are lengthy and involved. An exhaustive review of conditions was published in The Financial Post on December 18 last. Too much space would be required to repeat all the details here. A summarization of the material appearing in the review at this time, however, is of value in providing the background necessary for a full appreciation of the present negotiations.

Danger in Policy

Following the break in the newsprint market of 1921, manufacturers did their best to hold up prices. Little consideration was given to the position of the publishers—a feature of the relationships existing between producer and publisher up to this year. Instead of realizing the needs of the day and adjusting operations to new conditions, no change was made except to hold the publisher at a disadvantage.

By 1926 the demand for newsprint was again booming upward and operations were conducted at or near capacity. Even though lower prices prevailed for newsprint the producers were able to record substantial profits. It made little difference as to whether or not manufacturing was conducted on an economical basis, the demand and price paid for newsprint enabled the producers to report good earnings irrespective of operating charges.

Conditions Favored Promotions

The situation as it then existed in the industry was highly attractive to promoters. Financing was becoming easier and distributors were anxious to have new securities. At the same time the provincial governments were eager to take advantage of the situation and to that end put up for auction large blocks of timber limits. The sale of these limits was conditional upon the establishment of a pulp and paper mill within a specified time.

What happened? Newsprint mills were established in Manitoba, Ontario, Quebec, New Brunswick and Nova Scotia. Capacity of Canadian plants advanced from 5,811 tons daily at the beginning of 1926 to 12,376 tons today.

Capacity Exceeded Demand

With the establishment of plants on a wholesale basis, it was not long before production—or capacity—outstripped demand. Conditions became unsettled and in an attempt to bring about stability and to hold prices, the Canadian Newsprint Co. was formed. This concern acted as a selling organization for the larger Canadian producers; it did not include purely American concerns with plants in Canada. All orders received were handled through this clearing house and the business placed with the mill best able to handle the business. Reciprocal arrangements were made so that all members received fair treatment.

This organization was ill-conceived and it was inevitable that it fell of its own accord. Such proved to be the case, as internal dissension and other causes made it impossible to continue.

Hearst Contract Deal

At this time the Canadian Newsprint Co. had the important Hearst contract. Consequent upon certain moves, this contract was cancelled and Hearst called for new tenders. The business went to the International Paper Co., placing that organization in a dominant position in making prices. The order was secured on a price basis lower than that in force before the contract was awarded. This meant a revision of all International's contracts to the new basis, a move which was followed by the Canadian manufacturers.

Formed Newsprint Institute

With their position weakened as a result of the break-up of their selling organization in New York and appreciating the stronger position of International in the American market, the Canadian producers took steps to form the Newsprint Institute of Canada. This organization was not dissimilar to the Canadian Newsprint Co., except that it operated from Canada and not New York and, on that account, was outside of the jurisdiction of the American Government.

Institute Ill-regarded

The Institute was regarded by the American publishers as a price-fixing combine, which view was further consolidated when the provincial governments of Ontario and Quebec took a hand in trying to bring an increase in newsprint prices. Such a step proved disastrous and proved to be the virtual deathknell of the institute.

Over the last eighteen months co-operation among the Canadian producers has been of necessity rather than of desire. The inevitable consequences of over-expansion became apparent only too soon. Operations declined sharply. Earnings were severely deflated and bank loans became heavy.

Operators in Trouble

It was recognized that the manufacturers could not continue indefinitely operating their plants at half or less of capacity, with capitalization based upon operations of 80 or 90 per cent of capacity and at newsprint prices well above the prevailing market.

The inevitable happened. Minnesota and Ontario Paper Co. was forced into the hands of the receiver. Canada Power and Paper was forced to carry out a reorganization which resulted in cutting down capital charges by approximately one-half and the postponement of bond interest payments until 1936.

Tonnage is Needed

This was a move in the right direction, but there still remained much to be done. The greatest need of the industry over the past year has not been increased prices for paper, but more tonnage. The demand has not increased, but decreased. With institute mills operating at half capacity in many instances, the troubles facing the different managements are only too apparent. On the other hand certain of the independent mills have been keeping their plants operating on a much higher scale. While they have not been making much money, yet they have been able to meet their capital charges and keep out of the red.

Failed to Agree

Executives within the industry have fully appreciated the fact that the natural resources of the country have been and are being used up in a manner not conducive to the best interests of the country. They have held conferences on more than one occasion in an endeavor to bring about order, but all to no avail. The old distrust of former years has been carried over and the negotiations have not been fruitful.

Meanwhile with earning power limited and heavy charges to meet in order to keep out of the hands of the receiver, the companies have been hard put to it to make ends meet. In nearly every instance it has been necessary to borrow heavily from the banks. This situation applies not only to the newsprint companies, but to other pulp and paper manufacturers who have been suffering from the same evil—over-expansion.

PRESENT PLAN REMOVES NEED TARIFF BOARD

(Continued from page 1)

of origin, and all freight, insurance and other charges must be added to this figure before duty is imposed. The tariff is 20 per cent preference; 30 per cent intermediate; 45 per cent general.

Ferromanganese and Lime

Another imported product which has received attention is ferromanganese. The value of this product has been fixed at $55 per ton at point of production. Curiously enough, ferromanganese is on the free list. The effect of the government order will be to increase the import price.

Imports of lime, when required for plaster of paris or gypsum have been subjected to a high import value. Here the tariff provides specific duties, the general tariff being 12½ cents per 100 lbs. The government has fixed a minimum price at point of origin of $8.88 per ton.

Grapes, Ham, Gasoline

A minimum import price of 5 cents per lb., including the weight of the package has been fixed on grapes. The duty is specific at 2 cents per lb., giving a net protection to Canadian growers of 7 cents per lb.

Comparatively high import prices have been declared on bacon and hams, ranging from 50 cents per lb., for cooked hams to 24 cents per lb., for the poorer grades of raw ham and bacon.

Tariff duties have been removed on single ply veneers of cedar which are used in the making of electric storage batteries. The duty value of gasoline has been increased steadily with the rise in the price of crude oil in the United States. The government also has taken authority to impose arbitrary duty values on hardwood doors, but the actual value has not been declared yet.

A Flexible Tariff

All these orders-in-council and departmental memos have been issued since Parliament prorogued. There has been a steady stream of this kind of business handled by the National Revenue officials, and it is the intention to continue to deal with tariff matters as they arise, instead of hanging them all over until the annual budget. In every case, the government in fixing duty values declares that imports are coming in under conditions which prejudicially and injuriously affect the interest of Canadian producers.

As a result of the September, 1930, enactment, and the policy of the government, Canada now has a highly flexible tariff. The need of annual tariff revisions has largely disappeared.

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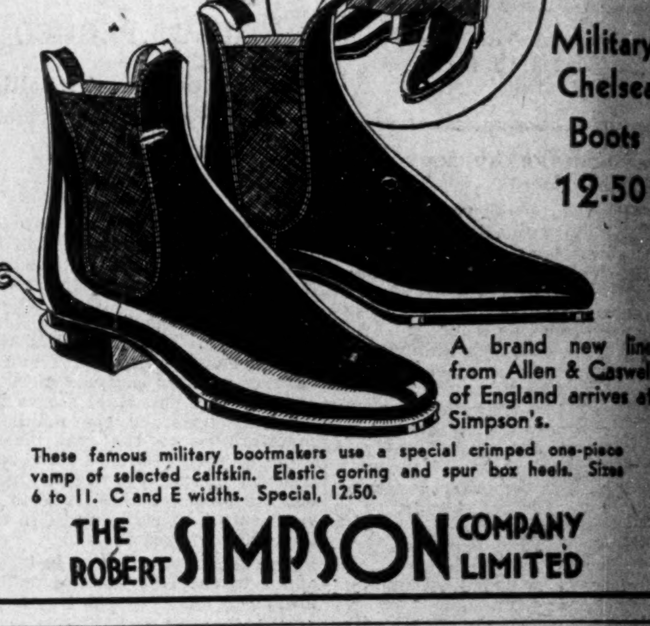

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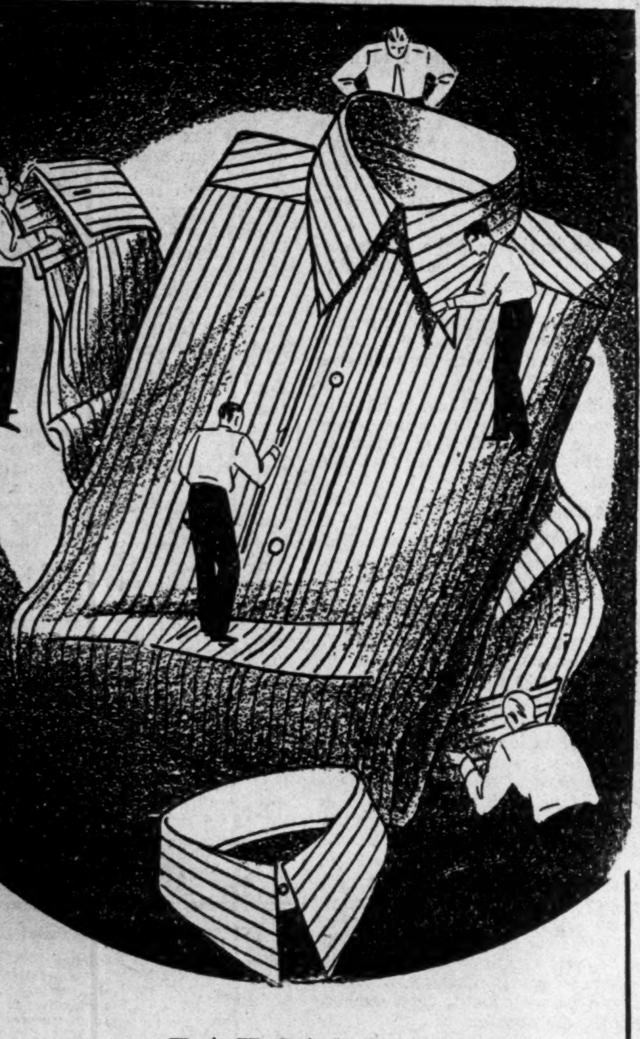

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WATERLOO MFG. YEAR-OLD REPORT SHOWS LARGE LOSS

President States Company Still Passing Through Difficult Period

BANK LOANS RISE

Spent Much Introducing Sunshine Combine; Much Expected When Farming Revives

Without making allowance for depreciation, net losses of Waterloo Mfg. Co., for the year ending October 31, 1930, was $99,168 as compared with net earnings after depreciation, in 1929, of $110,126 and of $299,238 in 1928. Payment of dividends of $81,840 on the class "A" shares, writing off $22,145 from deferred charges and adding $38,000 to the reserve for bad debts, brought the deficiency for the year to $241,153, reducing the accumulated surplus to $2,008.

INCOME AND SURPLUS ACCOUNT
Years Ended October 31

	*1930 $	1929 $	1928 $
Net earn. after depreciation	†99,168	110,126	299,238
Less: Inc. tax	......	8,000	23,500
Net loss	†99,168	102,126	275,738
Less appropriations:			
Div. on cl. "A"	81,840	76,374	38,056
Div. on cl. "B"	......	13,750	......
Prop. of def. chgs. w.o.	22,145	......	6,523
Res. for bad debts	38,000	......	......
Def. for year	241,153	12,002	231,159
Add: Prev. surp.	243,161	231,159	......
Bal. car. for.	2,008	243,161	231,159

* Consolidated statement.
† Loss for year without provision for depreciation.

Present Year Difficult

More than one year has elapsed since the year under review ended on October 31, 1930. The company's business showed in that year a considerable falling off as compared with the previous year, but in the minds of shareholders the principal concern will be as to what has happened in the year which followed the 12 months on which a statement is just being made. A. T. Thom, president and general manager, by stating that the company is "still passing through a difficult period" and that substantial reductions have been made in overhead expenses as well as in salaries and wages, gives some indication of what has been happening. Mr. Thom also states that the loss of $99,000 would have been reduced by $52,000 if interest collections had been equal to the previous year. He states that this amount is still collectable and should appear in the profits of future years.

Mr. Thom concludes his report by saying, "The current year still presents its difficulties and in view of this situation further substantial reductions have been made in the matter of operating expenses."

Working capital total at $1,306,173 is nearly $400,000 under the total of a year earlier, but a little more than the total of two years earlier. Current assets of $2,765,413 are 1.88 times current liabilities of $1,459,240 as compared with Oct. 31, 1929, when current assets of $2,846,727 were 2.46 times current liabilities of $1,156,399.

WORKING CAPITAL

	1930 $	1929 $	1928 $
Curr. assets	2,765,413	2,846,727	2,458,661
Curr. liabs.	1,459,240	1,156,399	1,156,975
Work. cap.	1,306,173	1,690,328	1,301,686
Ratio	1.88—1	2.46—1	2.13—1

Bank Loans Rise

Current assets in respective items show no marked change, cash being down from $7,000 to $6,800, notes and accounts receivable less commissions and reserve for bad debts going up from $1,918,003 to $1,980,641 while inventories shown at $921,404 on October 31, 1929, were one year later standing at $777,973.

The greatest change in current liabilities was the rise in bank loans from $835,000 to $1,281,137 — an amount nearly three times fixed assets of $450,444 and somewhat less than current assets. No information is given as to the present status of that item.

Accounts payable are down from $292,743 to $157,644 and an item of dividends payable on class "A" at $20,460 will not appear in the next balance sheet as the company passed the regular quarterly dividend of 25 cents on the "A" stock due February 2, 1931, and has not resumed dividends since.

Marketing Combine

Deferred charges which in 1928 and 1929 were shown at $19,500 among the assets, had risen in 1930 to $140,366. With respect to this item, Mr. Thom states that the addition of a combine harvester to the line of the company was essential for its successful future and that the company was fortunate in bringing to Canada the Sunshine Combine Harvester of the H. V. McKay Proprietary of Australia. The item of $140,366 represents the cost of establishing the new combine in the Canadian market and the benefits to be derived from this initial expenditure, Mr. Thom says, will extend over many years.

"If, like our competitors," he continues, "we had been compelled to develop our own combine, the cost of designing and experimenting would undoubtedly have exceeded this amount. We now have a combine which has operated successfully for over 25 years. It is fully protected by patents and has proved its serviceability in the harvest fields of Canada and the United States. We, therefore, consider that the company is justified in charging to the operations of future years a considerable part of this introductory organization and sales expense."

As an important part of the company's future will be lined up with the success of the Sunshine Combine Harvester, Mr. Thom's remarks concerning the Sunshine-Waterloo Co. Ltd., will be of interest to shareholders. The plant of the Sunshine-Waterloo Co. was completed in December, 1930, and is now in production. While the investment in the financial statement is shown at $88,000 on October 31, 1930, Mr. Thom states that an additional investment of $162,000 has since been made so that the present total investment is $250,000. Mr. Thom states that the small decrease in net current assets is largely represented by the investment in the Sunshine-Waterloo Co., which is reflected by an increase in the fixed assets.

Fixed assets before depreciation rose in the year in review from $471,802 to $485,062. This small increase of $13,260, Mr. Thom says, represents the expenditure of the new warehouse at Calgary. Nothing was added during the year to former reserve for depreciation of $34,618.

A note to the balance sheet states that the contingent liability of the Waterloo Mfg. Co. under agreement with the Sunshine-Waterloo Co., and H. V. McKay Proprietary, Ltd., dated July 2, 1930, is to contribute further capital as required.

Inventory Reduced

With reference to receivables, Mr. Thom states that substantial reserves have been provided for possible losses on accounts and bills receivable. In addition, accrued interest of $325,000 has not been included in the statement as an asset, but can be considered as an additional reserve. Notes receivable, covering balances due, constitute a lien on machines sold until final payment is made. In many cases additional security has also been received.

"While sales volume was very seriously affected, a reduction of approximately $140,000 was made in the inventory, which is principally comprised of materials, manufactured goods and repair parts modern in design," said Mr. Thom.

In addition to the total current liabilities of $1,459,241 the liability side of the balance sheet shows an item of $71,400 of deferred accounts payable due December 1, 1931. In other words, this item will be due inside a fortnight.

It was explained a few months ago that the delay in the annual report for the year ended October 31, 1930, was due to two main causes, first, that the company had been carrying on correspondence with the H. V. McKay Proprietary Co. of Australia to make necessary adjustments in connection with their joint subsidiary, the Sunshine-Waterloo Co., and secondly, that the company's receivables have been gone over at every branch office and that the report will show accounts receivable down to what the company officials consider to be the most conservative expectations.

Steel Production At Sydney Down

From Our Own Correspondent

MONTREAL.—Steel ingot production at the Sydney plant of the Dominion Steel & Coal Corp. totalled 11,448 tons in September. This compares with 15,296 tons in the preceding month, and with 19,600 tons in September last year.

The blooming mill, which has been idle since the first week in October, started up operations again last week. Operations will be maintained for a period of three weeks or more, rolling soft steel for a number of orders that have been placed with the company since the partial shut-down some weeks ago.

As a result of this activity between 175 to 200 men will be given full time employment of six days a week, the mills operating on single shift only.

THRIFT STORES SALES INCREASE FOR HALF YEAR

Company Has Added Ten New Stores Since April

From Our Own Correspondent

MONTREAL. — Sales of Thrift Stores, Ltd., operating a chain of 64 grocery stores in Montreal, are reported to have shown gains in the first half of its current fiscal year to September 30, 1931. Though the larger number of stores in operation would naturally account for increased sales, it is stated that even the older stores in the company's chain have recorded higher figures.

Definite figures are not available though it is expected that they will be made public within the near future. No estimate of earnings for the half year has been disclosed.

Add 10 New Stores

An important new unit was added to the company's chain on November 14. The new store, located on St. Catherine Street, is substantially larger than many of its predecessors and embodies much that is new in equipment and design. During the current fiscal year, which began on April 1, ten new stores have been brought into operation, while in the whole previous year but nine new stores were opened.

Thrift Stores was formed in 1929 with 31 retail grocery stores in its chain. Expansion has been consistent; additions have been confined to Montreal with the exception of one store located in Ottawa. No additional financing has been undertaken.

Earnings Show Growth

Earnings have kept pace with the company's growth. In the year ended March 31, 1931, net earnings from operations were $95,780 compared with $54,488 in the preceding period. After all deductions, which included depreciation, and inventory adjustment and income tax, there remained a net profit of $57,245 after taxes as against $39,098 before income tax in the previous year.

Preferred dividend requirements were $22,750 and second preferred dividends claimed $8,400 leaving $26,095 applicable to the common. This was equal to $1.30 a share on the 20,000 shares of no par common stock outstanding. No action has yet been taken regarding dividend action on the junior shares.

Nfld. Hit By Brazil's Failure to Buy Fish

Report from St. John's, states that Brazil, the largest consumer of Newfoundland fish, is making no purchases at present, though it is generally felt that depletion of stocks in that country is almost bound to lead to renewed buying at an early date. The Portuguese market, while oversupplied with small fish, is proving a ready buyer of the large.

Newfoundland lobsters are reported to be moving slowly in Europe and that the demand is lagging.

'PEG FUR MARKET LOOKS TO FUTURE WITH CONFIDENCE

Prices Now Thought to Be Stabilized—Cold Weather Needed

From Our Own Correspondent

WINNIPEG.—The Winnipeg raw fur market, emerging from one of the most difficult years it has ever experienced, is facing the new season with reviving confidence. During the past season fur prices, like those of all other commodities, reflected the general condition of acute and world-wide depression. It was a most difficult season for operators in this market and at no time could it be said that there was anything approaching price stability.

The close of the season here was marked by the sale held by the Dominion Fur Auction Sales, Ltd., on October 22. At this sale the final shipments from the McKenzie River section were sold. These collections represented the tag-ends of the season's catch which were brought in late to the remote posts of the high north.

Not Looking for Goods

No fresh goods will be arriving on any of the primary markets in Western Canada for at least a week, although a few wolves are reported to have been bought by dealers in the country. The trade, contrary to its practice of former years, is not out in the country looking eagerly for goods. The general feeling is that New York will be very late in coming into this and other Western raw fur markets. In the meanwhile, the trade will have to finance all of the early collections and they are doubly cautious about the prices they pay. It is reported that prices for the few goods which have been received in the country have been somewhat high.

Apart from the prevailing mild weather, which is unfavorable for trapping, the trade is inclined to view the immediate future with more optimism than it has manifested since the depression set in. One prominent dealer describes himself as moderately bullish. Colder weather is needed, however, in the United States and Canada, if the retailers are to meet their bills when due. Collections, he feels, are the most disturbing factor in this end of the trade at the present time.

When these are out of the way, however, he continues, the U. S. will undoubtedly want to buy Canadian fresh-caught goods. They will be late in coming into the market on account of the backwardness of the season, and this dealer does not expect to see a large movement of goods to U. S. until about the middle of December.

Catch 30 Per Cent of Normal

During the past season the catch of raw fur in the prairie section of the country was only about one-third of normal, and in Ontario and British Columbia about one-half. In the northern sections, however, the general catch appears to have approached close to normal. This leads the trade to believe that a heavier catch may be expected in the coming season in the more southern latitutes.

The shortage of supplies coming on the market during the winter months was undoubtedly responsible for the comparatively high level of prices realized for Canadian furs. While all other raw commodities showed an average decline of over 50 per cent from the 1926 level, according to Dominion Bureau of Statistics, Canadian raw fur showed an average decline of only 25 per cent. The average decline as compared with the close of the 1929-30 season was about 17½ per cent. The greatest declines were in foxes of all kinds except cross foxes. Other heavy price declines were suffered by otters and wolves. Only one article on the list, muskrat, advanced, and only about 15 per cent.

The season just closed opened up somewhat later than usual.

Think Prices Stabilized

There is a section of the Winnipeg trade which holds to the belief that price stabilization has now been realized and that trading will be carried on during the coming season with a great deal more confidence and profit.

One of the most favorable factors affecting the trade is the unusually low inventory position. Statistically, the trade has never approached a new season in better shape to take advantage of any revival in business activity.

Canadian Gypsum Plan New Plant

From Our Own Correspondent

MONTREAL. — Canadian Gypsum Products, a holding organization for the Canadian interests of the United States Gypsum Co., plans to undertake shortly the construction of a plant at Wentworth, N.S., for the manufacture of gypsum products.

This company has already engaged in manufacturing gypsum, having plants at Hillsboro, N.B., in Ontario, and as far west as Winnipeg.

Over the past twelve months Canadian Gypsum Products has followed a policy of manufacturing their products in Canada as far as possible.

It is stated that in the past 90 per cent of the gypsum mined in Canada has been exported to the United States for manufacture, but now an increasing amount of the total produced will be turned into the various products in Canadian plants.

Medium Grade Asbestos Exports Record Advance

From Our Own Correspondent

MONTREAL. — An improvement in the export of medium grades of asbestos is noted for October, 1931, compared to the same month last year. Shipments of crude No. 1 amounted to 13 tons, a decline of 47 tons from the same month a year ago, but an increase of 11 tons over September, 1931. Exports of crude No. 2 amounted to only 5 tons last month, a decline of 55 tons from September and of 96 tons from October last year. Exports of other grades, with the October, 1930, comparative figures in brackets, follow: fibre, 5,862 tons (6,890); shorts in bags, 7,501 tons (8,831); refuse in bulk, no shipments this year (654 tons).

Radio Cabinets in Demand

Malcolm Furniture Co., Ltd., of Listowel, Ont., has its plant working on overtime on contracts for radio cabinets and has in consequence found it necessary to make arrangements with neighboring factories to assist in the crating and shipping of some of their ordinary furniture lines.

CHARLES GURD CO. COVERS DIVIDEND COMMON STOCK

Disbursements on Shares Are Fully Earned to Date

From Our Own Correspondent

MONTREAL.—Earnings of Charles Gurd & Co., manufacturers of carbonated drinks, have been sufficient to cover dividends to date and indications are that the present rate of $2 a share annually will be earned for the whole year. In 1931 profits applicable to the common were equal to $2.95 a share.

The company is continuing its effective sales policy to combat keen competition existing in the market it serves. That sales have held up is demonstrated by the earnings record this year; a new line was recently added to the company's brands and achieved satisfactory results, it is stated.

Active Summer Season

The summer season favored the manufacturer of soft drinks. Exceptionally hot weather in July and August tended to lift sales for those two months above those of the previous year, while the earnings position of the common shares has been strengthened during the year by the redemption of a further block of preferred shares.

The preferred stock is now outstanding to the extent of $260,000 compared with $270,000 at the end of 1930 and $500,000 which comprised the original issue. In 1930 the preferred dividend was earned more than 10 times over.

Early next week directors leave for Saint John to inspect the plant of the company's subsidiary Charles Gurd & Co. (Maritime), and to discuss plans for next year's operations. The Maritime unit supplies local needs and also handles export business for the parent company. A good market for its products has been built up in Bermuda and the West Indies, sales in those territories, however, have showed a decline this year.

Distribute Salmon Eggs

It is announced that some ten millions of eggs stripped from the salmon pond at East Saint John, will be distributed to various Maritime centres this month.

SEES BIG TRADE OPEN WITH CHINA

Canadian Urges Reduction of Indirect Buying Through U. S.

That Canada supplied only about 3 per cent of China's total imports in 1929, seven-eights of which consisted of three items—wheat, flour and silver bullion—is the foundation of a recent survey of the possibilities of this market made by H. V. Haight based on study made as a member of the Canadian Chamber of Commerce Trade Mission to the Orient last fall.

In spite of being torn by civil war, China's imports in 1929 amounted to more than 800 million dollars, and Mr. Haight stresses the possibilities open to Canadian manufacturers in view of the small extent to which they at present share in this impressive total. As an example, Canada only exports to this market one-twelfth of the amount of soft wood timber that the United States does. Again, only 1.3 per cent of China's imports of agricultural machinery is supplied by Canada, and less than 1 per cent of rubber goods.

As regards China's export trade, Mr. Haight points out that Canada only buys, directly, one-eighth of the value of goods which china receives from us, or about $3,000,000. Some articles, notable peanut oil and soya bean oil, are imported indirectly through the United States, but these, of course, do not appear in China's trade reports. Direct dealing of our importers with Chinese merchants is urged by Mr. Haight in order to put Canada in better standing and to promote trade.

Among the raw materials which we could buy direct with advantage, he states, are bean cake, rape and sesamum seed, raw silk, lacquer, cowhides and bean and peanut oil, while many finished articles such as silk and linen embroideries, lace and trimmings, rugs, brass-ware, enamelware and jade can be bought at astonishingly low prices.

Cement Products in 1930 16 p.c. Below 1929 Mark

Manufactures of cement products in Canada for 1930 were valued at $3,718,704, at which they were 16 per cent under the record production of the previous year. Principal products included sewer pipe and culvert tile worth $1,137,642, artificial stone at $877,659 and cement building blocks at $802,604.

Records of the Dominion Bureau of Statistics at Ottawa, available since 1919, show that the production of cement products totalled $921,478 in 1919, advanced to $1,527,590 in 1920, then dropped slightly during the next few years to $1,257,871 in 1924. Output again swung upward in 1925 to $2,020,239, and continued to gain each year until the peak value of $4,419,417 was attained in 1929.

In the Mail

Duplications of Banks

Editor, The Financial Post,

The leading article in your issue of November 7 on "Duplications That Cost Money," draws attention to an obviously wasteful form of competition between two organizations offering almost exactly the same form of service.

The example is well chosen but there is in every city a still more obvious instance of waste on a far more serious scale. I refer to the branches of competing banks, built and equipped in many cases on a far from modest scale, that face one another from corner sites at street intersections.

At the corner of King and Dufferin Streets, Toronto, is to be found one example of this wasteful competition —for which in the long run the public has to pay. It can be duplicated in every section of this city.

It will not be contended that to the general public any bank can offer a service not sold by its competitors. Not a word you write on the absurdity of the existing competition between the two telegraph systems but can be applied with still greater force to that between our far more numerous banks.

Or are banks and banking policies sacrosanct and immune from criticism?

A. T. SAXTON.

Toronto.
November 16, 1931.

Clay Products Production Declined 24 p.c. in 1930

The value of clay and clay products sold by Canadian producers during 1930 declined 23.8 per cent below the preceding year, total value being $10,593,578 as compared with $13,904,643 in 1929. Ontario was the leading producing province accounting for 49 per cent of the total sales during the year; Quebec followed with 23 per cent.

Plants for the production of brick and tile were in operation in every province in Canada except Prince Edward Island. In all, there were 203 plants in 1930 manufacturing various kinds of brick, sewer pipe, structural tile, drain tile and other clay products from Canadian clays or shales.

Winnipeg Hydro Cuts Expenses

The Winnipeg City Hydro System report for August shows an increase in revenue over August of last year. A considerable drop in expenses for the same month concludes an optimistic report.

Conservative

A sane conservatism in handling its own affairs and the business of all clients is one of the fundamental principles upon which this Trust Company is built.

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St. James Street · Montreal

New Montreal Building Eliminates All Windows

A building without windows is being constructed in Montreal for Toilet Laundries Ltd., the structure being a $200,000 addition to that company's plant on Guy Street.

Ventilation is taken care of by means of a purified air installation, while special lighting arrangements will provide artifical daylight throughout the factory. Temperature control is also provided by which a temperature between 68 and 70 degrees will be maintained, summer and winter.

Of structural steel frame, concrete and brick-faced construction, the two-storey building will house rough dry, semi-finish, and float roll services.

The first floor will be devoted to shipping and checking, while the second floor will be used exclusively for production. The building will be 180 feet deep by 60 feet wide.

Two Wabane Mines Open on Short Time

From Our Own Correspondent

MONTREAL.—Dominion steel and Coal Corp. announces the opening of mines No. 3 and No. 6 at Wabana. The mines were opened on November 5 and will work Thursdays and Fridays of each week until further notice. Owing to the smaller number of men required, the company states that it will not be possible to provide placements for all those employed during August and September.

New Brunswick Tourist Travel Shows Increase

From Our Own Correspondent

MONTREAL. — New Brunswick motor tourist travel up to October 31 this year shows an increase of 9 per cent over the same period for 1930, according to returns compiled by the New Brunswick Bureau of Information.

Up to the end of October last, 54,452 cars entered the province for periods varying from 24 hours to 60 days. This compares with 49,922 for the same period of 1930.

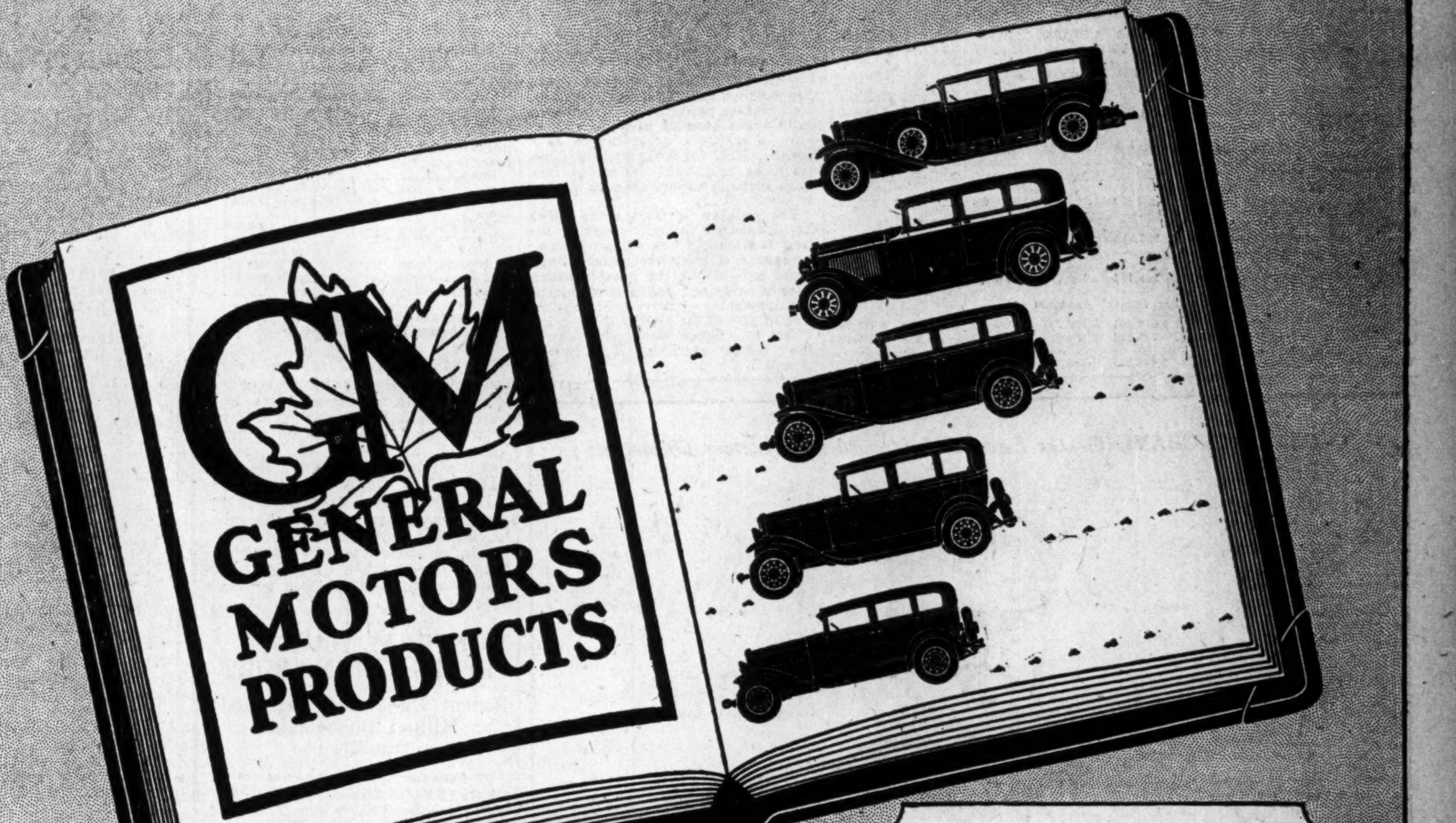
St. Stephen and Richmond Road continue as the leading points of ingress with a seasonal total to date of 14,997 and 10,450 automobiles respectively.

Canada and Dom. Sugar Co. Handles 300,000 Tons Beets

Contracts for beets issued this year by the Canada and Dominion Sugar Co. Ltd., of Chatham, Ont., totalled 30,000 acres. With an estimated average yield of 9.7 tons of beets per acre, the total volume which will be handled at the company's plants at Chatham and Wallaceburg will be not far short of 300,000 tons.

Deliveries started on September 24, this being ten days earlier than usual due to the favorable weather conditions that have been experienced. Growers in some districts state that beets have been the best paying crop per acre this season.

understand the value



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Over 50 models available ranging from the Cadillac V-8 at $3,520, and the Cadillac V-12 at $5,130, up to the Cadillac V-16 with custom bodies for $15,000 and more. All prices at factory, taxes extra. The world's finest cars.

McLAUGHLIN-BUICK
34 models, all Straight Eights, listing from $1,290 to $2,870 at factory, taxes extra. More than 8 out of 10 McLaughlin-Buick owners buy McLaughlin-Buicks again and again. Every McLaughlin-Buick has Wizard Control and the Ride Regulator.

« OLDSMOBILE »
6 models, listing from $1,085 to $1,230 at factory, taxes extra. A car of superb performance selling at the price of an ordinary six. Includes such advanced engineering refinements as the famous Syncro-Mesh transmission and Down-Draft carburetion.

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"A fine car, a modern car, a General Motors value". 6 models, listing from $875 to $1,015, at factory, taxes extra. Over 40 points of rubber insulation in the chassis absorb engine vibration, noise and road shocks.

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The world's lowest priced Six. 14 models, listing from $610 to $840 at factory, taxes extra. The most popular car in Canada—because, with beauty and smoothness, it combines rigid economy.

THE factors which contribute to the outstanding value of General Motors cars are clear cut and understandable. Because of its international associations, General Motors Products of Canada enjoys unparalleled resources for research and fine engineering. Group purchases of select materials result in savings which are quickly passed along to the buyer. List prices are standard everywhere in Canada. Delivered prices are easily understood as they include only reasonable charges for taxes and delivery, clearly stated on the price tag.

Then too, it is easy to comprehend the value of GMAC facilities, as this time-payment plan offers the lowest rates available. You will also appreciate the assurance of continued satisfactory operation contained in the broad and generous Owner Service Policy which General Motors issues with each of its cars. This policy is in force at any one of the thousands of expert General Motors' dealers and service stations everywhere.

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Utilities and Transportation

CONSUMERS' GAS GROSS REVENUE REVEALS GAIN

Lower Rates and Increased Taxes Make Net Little Lower

EXPANDED IN YEAR

Working Capital Down as Result of Expansion But Position Still Strong

Gross revenue of Consumers' Gas Company of Toronto in the year ended September 30, 1931, increased from $7,952,702 to $7,994,924, according to the annual report presented to shareholders at the annual meeting at noon on November 16. The company sold more gas than in any previous year in its history, although, owing to the reduction in the price from April 21, the revenue from this source was slightly lower, at $5,864,352, compared with $6,037,443.

The increase in gross revenue is attributable to greater production and sales of coke, and other by-products as a result of extensions to the coal gas plant. These brought in $1,719,185 in the period, compared with $1,442,924 in the previous year. Merchandise sales totalled $396,933, compared with $458,372.

Surplus Now $226,813

Gross operating expenses, including taxes, were increased from $5,733,930 to $5,803,662, so that the net operating earnings were $2,190,641, compared with $2,218,772 in the previous period. After provision for plant and building renewals fund in accordance with the statute, the special surplus account carried forward totals $226,813 compared with $284,602 at the beginning of the fiscal year.

Added 43 Miles Mains

In the course of the year the company added 43 miles of mains, bringing the total to 998 miles. In the same period the number of connected meters increased by 2,027 to 170,830. The principal additions were along the Lakeshore highway to the westerly limit of Port Credit and northward on Yonge Street to Steele's Corners. The report, signed by A. W. Austin, president, comments on the contribution which this work made toward relieving the unemployment situation, directly through the company's own employees and indirectly through orders placed with companies manufacturing the equipment purchased. Wages and salaries paid by the company in the year totalled $2,232,222.

Plant Investment Higher

Real estate, plant and equipment now are shown at $21,116,732, compared with $20,272,006. The plant and buildings renewal fund, which stood at $2,301,535 at the end of the previous year, is now $2,514,185. A total of $1,013,812 was added to this fund out of current earnings, in accordance with the statute, and $801,162 was expended in repairs and renewals.

Despite additions to plant and equipment, which included work at stations "A" and "B" commenced in the previous period, the company continues in strong liquid position. Investments stand at $1,960,664, compared with $1,970,574. Accounts receivable, after provision for doubtful accounts, are $678,552, compared with $722,687. Supplies and materials on hand amount to $986,483, compared with $883,397.

Payables Mount

Accounts payable are $365,728, compared with $305,954 a year ago. Provision for exchange and Dominion taxes is $118,788, compared with $81,691 provision for taxes a year ago. The reserve for dividend of $331,250 is the same as a year ago, and bank loans now total $485,283. Working capital thus is $2,373,970, compared with $3,028,538 a year ago.

It is stated by Mr. Austin that the reduction of five cents per 1,000 cubic feet of gas in the price of gas, which went into effect in April, will save consumers approximately $300,000 annually. Following this reduction, the Dominion budget added approximately $140,000 annually to the uncontrollable expenditures of the company. The customs duty on gas coal imported from the United States was increased from 50 to 75 cents per ton. An excise tax of 1 per cent on all imports was established and the sales tax increased from 1 to 4 per cent. Another levy affecting the company was the increase in the corporation income tax from 8 to 10 per cent.

Taxes are Heavier

Mr. Austin also comments on the continued increase in the burden of all classes of taxation. The total paid by the company in the last year was $486,159, which represents 8¼ cents per 1,000 cubic feet of gas, or the collection of approximately $3 per year from each customer served by the company.

Income and Surplus Account, Years Ended September 30

	1931	1930	1929	1928	1927	1926	1925
Gross Earnings:	$	$	$	$	$	$	$
Gas sales	5,864,352	6,037,443	5,869,928	5,642,558	5,426,100	5,300,016	5,079,433
Residuals produced	1,719,185	1,442,924	1,453,852	1,360,697	1,274,332	1,359,894	1,183,709
Merchandise sold	396,933	458,372	518,833	433,851	378,877	327,165	348,625
Misc. rev.	13,833	13,963	15,854	11,409	14,443	12,325	11,579
Total gross earnings	7,994,303	7,952,702	7,858,467	7,448,516	7,093,752	6,999,399	6,623,346
Less: Production, distribution & admin. exp. & taxes	5,803,662	5,733,930	5,686,913	5,355,635	5,276,567	5,187,916	5,072,422
Net earn. from oper.	2,190,641	2,218,772	2,171,554	2,092,881	1,817,185	1,811,483	1,550,924
Add: Int. earn.	90,381	120,687	76,364	57,283	92,713	57,273	32,210
Total net earn.	2,281,022	2,339,459	2,247,918	2,150,164	1,909,898	1,868,756	1,583,134
Add: Prev. bal. of special surp acct.	284,602	219,164	150,712	89,163	232,515	203,707	226,030
	2,565,625	2,558,623	2,398,630	2,239,327	2,142,413	2,072,463	1,809,164
Less appropriations: Dividends	1,325,000	1,325,000	1,262,450	1,200,000	1,200,000	1,049,349	895,176
Less: Plant & bldg. renewal fund	1,013,812	949,021	917,016	888,615	853,250	790,599	710,281
Special surp. carried fwd.	226,813	284,602	219,164	150,712	89,163	232,515	203,707
Working Capital Accounts							
Curr. assets	3,675,019	3,787,433	4,512,405	3,232,791	3,106,859	4,046,809	2,767,362
Curr. liabs.	1,301,049	718,895	736,194	1,584,658	710,169	767,228	667,368
Work. cap.	2,373,970	3,068,538	3,776,211	1,648,133	2,396,690	3,379,581	2,099,994

WEST KOOTENAY INTEREST NEEDS WELL COVERED

Output Reported Below That Recorded in Last Year

From Our Own Correspondent

MONTREAL.—Restricted industrial activity in the area served by West Kootenay Power and Light Co. has tended to reduce the company's load during the current year and earnings are expected to fall below those of 1930. Though no figures have been published it is understood that profits continue to show a substantial margin over bond interest needs.

West Kootenay's principal customer is Consolidated Mining and Smelting Co. of Canada, of which it is a subsidiary, and the decline in that company's production may be taken as a criterion for the reduced output of the utility company. Power is also supplied to Grandby Consolidated while directly or through subsidiaries West Kootenay distributes power to a number of communities in southern British Columbia.

Last Year Was Record

Last year proved a record for West Kootenay Power and operating earnings of $1,800,077 compared with $1,686,689 for the previous year. Bond interest, after depreciation, was earned 7.65 times, while earnings for the year were equal to $12.36 a share on the common stock.

Consolidated Smelters owns all the common stock of which there is issued $6,112,000 and in 1930 a distribution of 15 per cent or $916,800 was paid on the junior shares. This was the first disbursement to be made since 1922. The Canadian Pacific Railway owns over 68 per cent of the $500,000 of West Kootenay preferred stock, public investment interest is almost entirely confined to the bond issue.

New Plant Nears Completion

Bonds outstanding total $6,500,000. This issue of 5 per cent first mortgages was offered in March, 1931, and was used to redeem outstanding bonds totalling $2,186,953, and to complete the construction of a new power development at Corra Linn.

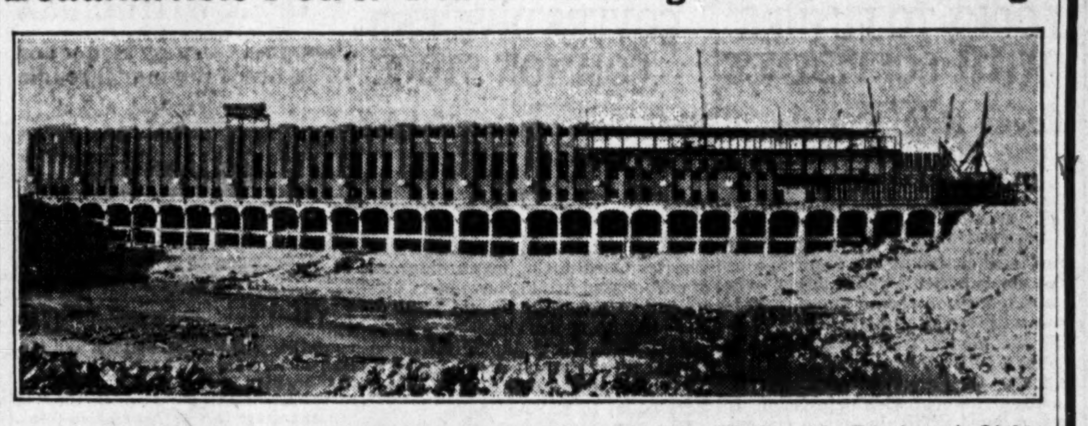
This hydro-electric project is rapidly nearing completion and will comprise three units of 19,000 horsepower each operating under a head of 53 feet. When it comes into production West Kootenay will have four power stations on the Kootenay River developing a total of 219,000 horsepower. The company was also granted the right in 1930 to develop a power site on the Pend d'Oreille River, but plans for a 300,000 horsepower project there are understood to be temporarily in abeyance.

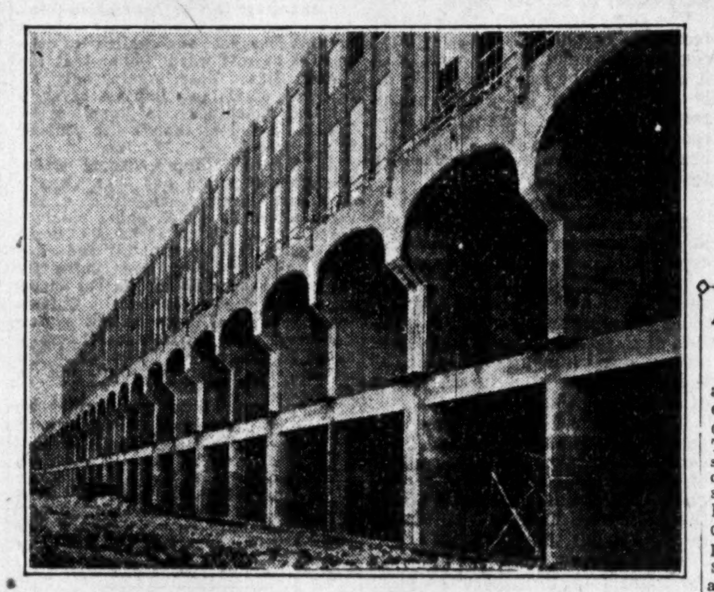
Alberta Ranchers Benefit from U. K. Export Trade

With about 6,000 head of cattle shipped from Alberta since the spring, the livestock export trade with Great Britain has been of great benefit to Alberta ranchers, according to J. J. Bowlen, M.P. for Calgary. In some cases, he said, ranchers had earned more through export than by selling at home.

The problem of boat space which had hampered shipments during the first few months was being overcome by reason of more frequent sailings, made possible by the greater assurance of shipping companies of regular consignments. Government absorption of part of the freight charges had offset to a large extent the drop in the pound sterling, Mr. Bowlen thought.

Beauharnois Power Plant Nearing Production Stage





Work on the Beauharnois Light, Heat and Power Co.'s hydro-electric project is well up to schedule and energy will be available by October next year, when deliveries commence under existing contracts. These views give some conception of the immensity of this undertaking, which is one of the largest single water power developments in the world, involving an outlay, when completed, of around $70,000,000.

BOLIVIAN POWER EARNINGS SHOWED INCREASE IN 1930

Common Share Profits Slightly Lower at $3.64

From Our Own Correspondent

MONTREAL. — Gross and net earnings of Bolivian Power Co., subsidiary of International Power Co. in 1930 showed an increase over those of the preceding year, but owing to higher interest charges, net profits at $109,210 showed a decline of $14,000 from the 1929 figure. No dividends were paid on the common stock during the period, as compared with a disbursement of 2 per cent in 1929, though the sum of $50,000, an increase of $20,000, was transferred to general reserve.

Earnings on the common stock of which there is $3,000,000 outstanding were equal to $3.64 a share. In the previous year, per share earnings were $4.11. The balance carried forward to the current year amounted to $292,895 an increase of $54,000.

Profit and Loss Figures

Following is a comparison of profit and loss accounts for the past two years:

	1930	1929
Gross earnings	$841,157	$758,989
Less: Oper. exp.	419,556	391,452
Net earnings	421,601	367,537
Less: Depreciation	70,000	60,000
Interest	242,391	184,246
Net profit	109,210	123,291
Less:		
Dividends	......	60,000
Trans. to reserve	50,000	30,000
Surplus for year	59,210	33,291
Add prev. surplus	238,824	205,533
Less: Adjustment	5,139	......
Balance forward	292,895	238,824

Bank Loans Higher

On the other hand, bank loans total $3,422,899, an increase over the previous year which corresponds with the gain in property account. This increase has found reflection in working capital position which indicates an excess of current liabilities over current assets of $2,507,434.

During the year $16,000 of first mortgage bonds were redeemed, leaving $1,550,000 outstanding. Depreciation reserve was increased by $44,000 to $296,261 while general reserve at $152,061 showed a gain of $58,000.

MONTREAL HARBOR FEELS GRAIN SPURT

Recent Deliveries Exceeded Million Bushels in One Day

From Our Own Correspondent

MONTREAL.—Improvement in the overseas demand for wheat from the North American continent has resulted in increased activity at the Port of Montreal and on November 11 there were 14 tramp steamers waiting to be loaded compared with 3 at the same time last year. Orders on hand at the Harbor Commission exceed 1,000,000 bushels.

Deliveries on November 11 were the highest to be recorded since June 1, the commission's elevators handling 1,036,907 bushels outwards and 872,139 bushels inwards.

Receipts Show Gain

Some encouragement is noted in the fact that deliveries which exceeded the six figure mark for shipments during present season have been relatively low in comparison with each of the nine years ante-dating 1929. The amount handled inwards, however, at November 11 amounted to 80,402,689 bushels since the beginning of the season compared with 79,562,420 bushels for the whole of last year.

Less than three weeks remain in which to ship requirements from St. Lawrence ports this year so it is expected that the grain handling facilities in the Port of Montreal will be well utilized before navigation closes. The record day in the history of Harbor Commission was September 9, 1928, when 4,005,733 bushels were handled by the elevators in 24 hours.

McDougall and Cowans Plan Up for Approval

From Our Own Correspondent

MONTREAL.—Creditors of McDougall & Cowans are in receipt of the following notice from Gordon W. Scott, Trustee:

"Take notice that application will be made to the Honorable Superior Court sitting in Bankruptcy in the district of Montreal, in the Chamber of the Registrar in Bankruptcy at the Court House in the City of Montreal on November 23, 1931, at 11 o'clock in the forenoon, to approve the scheme of arrangement as proposed by the said debtors, and duly accepted by the statutory majority of creditors at a meeting held on Tuesday, November 10, 1931."

BEAUHARNOIS CONSTRUCTION ON SCHEDULE

Nearly Three-quarters of Work is Now Complete

From Our Own Correspondent

MONTREAL.—Construction work on the Beauharnois Power Corp. hydro-electric project is now three-quarters completed. The work is well ahead of schedule and the original plan to bring the plant into operation by October, 1932, will be completed without trouble. The work passed its peak this summer when 4,000 men were given employment on the job. At present the corporation has 3,000 men on the payroll.

Before the resumption of active operation this year the large scale construction equipment, representing an investment of nearly $5,000,000 was reconditioned. All season the equipment was operated at its maximum efficiency.

The power house was finished in October when the roof went on the plant. The installation of the first two 50,000 h.p. waterwheels has been completed and the third and fourth turbines are now being installed. The work of installing the generators for these units is under way.

In the movement of material, the corporation has made substantial progress. To date about 90 per cent of the rock excavations required for a 500,000 h.p. installation has been completed. The tail race has been finished and the water of the St. Lawrence has been admitted and now covers the draft to outlet. The remaining rock excavation consists of sub-aqueous work connecting the tail race with the deep water of the river.

The two canal dykes over half a mile apart now stretch the entire fifteen miles from the headwaters of Lake St. Francis down to the power house at Beauharnois. Work on the main canal dykes are three-quarters finished.

Excavation work in the bed of the canal is progressing. It is being carried out by hydraulic dredge and, for a distance of a mile, where boulders occurred in the clay, by drag lines. The amount now excavated is well nigh sufficient to provide an adequate flow of water through the turbines for the initial 200,000 h.p. installation.

Most of the necessary highway diversions have now been built. Railways cross the canal at three points. At two of these crossings, the bridges will also handle highway traffic. The construction of the railway diversions and approaches to these bridges is well under way to completion. At the Lower New York Central crossing the piers have been erected and the steel work will begin shortly. At the upper New York Central and the C. N. R. crossing, the piers are nearing completion. Construction of these bridges will continue this autumn and winter.

Grain Activity Gives Belated Spurt to C.S.L.

From Our Own Correspondent

MONTREAL.—The sudden spurt in wheat shipments which has occurred in recent weeks has likely brought some stimulus to operations of Canada Steamship Lines; unfortunately, however, the increased activity has come too late in the season to be of much benefit to the company. There are now barely three more weeks available for navigation on the St. Lawrence route and shipments down the Great Lakes to Montreal are nearing their completion for the year.

Some encouragement may be gained from the fact that receipts of grain at the elevators of the Montreal Harbor Commission have shown an increase over last year though the gain only totals about 1,000,000 bushels. This would indicate that Canada Steamships has maintained its grain carryings as compared with last year, though the criterion means little since the 1930 season was exceptionally poor.

The company's elevator at Kingston, operated by a subsidiary, the Kingston Elevator Co., is still full, it is understood, and the grain in storage at regular tariff rates assures the elevator company of sufficient revenue to pay fixed charges with a margin to spare. Facilities have been kept available to allow the handling of grain when necessary.

Australian Trade Official Says Country is Sound

"Much that is true and highly damaging has been said about Australia, often by people with axes to grind," declared L. R. Macgregor, Australian Trade Commissioner in Canada, speaking on present conditions in that country, in Montreal recently. "Consider the fact," he continued, "that half of Australia's public debt is owed in Australia itself, to Australian people who are good judges of the soundness of their own country and are unlikely to do anything to jeopardize the soundness of their own investment.

"There is much misconception regarding Australia's internal situation," continued Mr. Macgregor. "As a matter of fact, Australia has taken drastic steps to meet adverse conditions and these are proving successful. A huge conversion scheme involving no less than $2,750,000,000 of internal loans has just been put through successfully and has resulted in a saving of 24 per cent of the annual internal interest bill. Reductions in wages and increases in taxation have been accepted by the people everywhere. Severe measures to prevent unnecessary buying abroad have been taken and these have transformed an adverse balance of trade of $30,000,000 at June 30, 1930, into a credit balance of $180,000,000 at June 30, 1931—exactly a year's time."

Canadian Car Reopen Amherst Rolling Mill

From Our Own Correspondent

MONTREAL.—The rolling mills of the Canadian Car and Foundry Co., which have been idle for about eight weeks, have resumed work, plant officials announce. Present indications are that 100 men will be employed for two or three weeks rolling stock bars.

B. C. Apples Win Prizes

British Columbia apples scored at the Imperial Fruit Show at Manchester, England, according to official advices received by Hon. Robert Weir, Minister of Agriculture, having won two second awards in the Empire exhibits and also (in the Canadian section) having won first prizes on McIntosh, Jonathan, Delicious and Newtons.

Obituary

Joseph Ruddy Passes

Joseph Ruddy, president and general manager of the Ruddy Mfg. Co., of Brantford, died at Clifton Springs, N.Y., on November 13.

Mr. Ruddy, who was born on December 14, 1862, at York, Ont., went to Brantford as a young man and joined the staff of the Brantford Telegram and later became secretary-treasurer of the Slingsby Mfg. Co., when it was organized. Later he was appointed manager of the Brantford Starch factory and became director and secretary-treasurer of the Canada Starch Co. Ltd., when Brantford Starch was amalgamated with other companies to form Canada Starch.

He became a director and secretary-treasurer of Canada Starch Co. in 1906 and in 1911 vice-president and general manager, but he resigned in 1921 to organize the Ruddy Mfg. Co., of which he was named president and general manager. Mr. Ruddy was also a director of the Canada Starch Co., director of the Trusts & Guarantee Co., director of the Dominion Foundries & Steel Co., president of the Crown Electrical Mfg. Co., as well as other directorates. He was also prominent in municipal and philanthropic institutions.

One son, Richard Kenneth Ruddy, is secretary-treasurer of the Ruddy Mfg. Co.

Taylor, J. Percy, member of the Montreal Stock Exchange since 1903, died in Montreal in his 61st year.

British Agents in Canada to Form an Association

Branch managers and representatives of United Kingdom manufacturers have decided to form an association as a result of a meeting called together recently in Montreal by F. W. Field, H. M. Senior Trade Commissioner in Canada, who presided at the conference. He explained that this had been done at the request of numerous local agents of British concerns and said it was evident that there was a strong desire in Montreal for such an organization.

Following some discussion as to whether the proposed association should be an independent body or whether it should be affiliated with the existing Canadian Association of British Manufacturers — which at present embraces the textile trades only — a committee was appointed to consider ways and means of establishing the projected association and to confer with the textile group in the matter, W. D. Lambie, deputy British Trade Commissioner at Winnipeg being nominated secretary.

There was general agreement with the view that nothing should be done that was against the reasonable and fair interests of Canadian manufacturers.

Activity in Eastern Townships

Industrial activities are on the upgrade in the Eastern Townships. Among the signs pointing this way is the work now going on with the extension of the Canadian Silk Products plant in Sherbrooke; the opening of the Barry and Staines Linoleum factory at Farnham; the Stark Bros. factory expansion in Granby and a considerable uplift in several concerns in the textile line.

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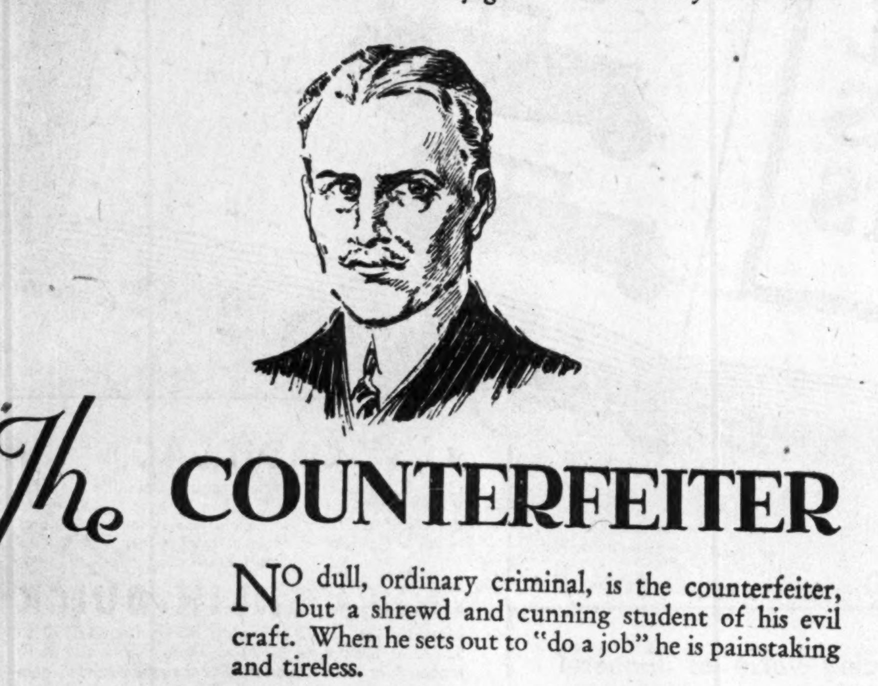

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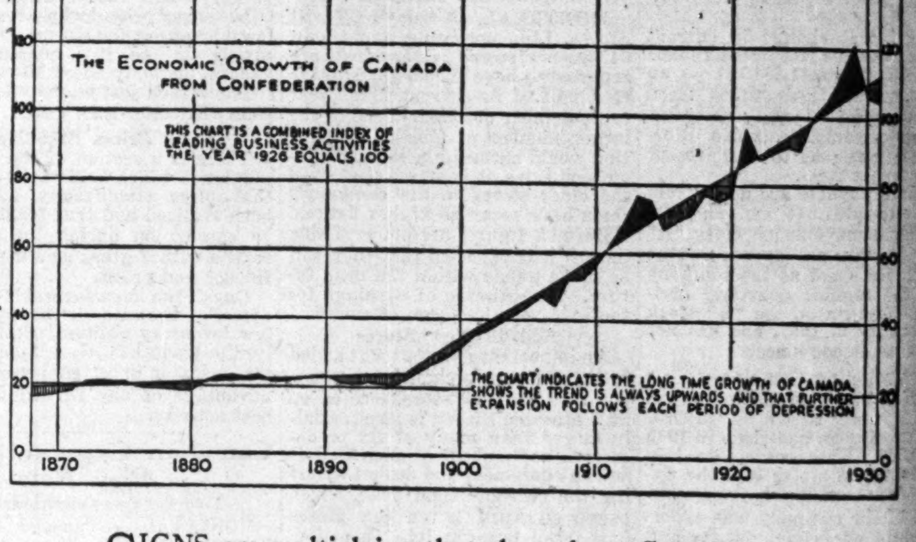

SIGNS are multiplying that throughout Canada, confidence is returning.

The price trend of our principal basic commodities is upward with wheat, the backbone of the country, in the van.

This revival of confidence should set in motion a great reserve of latent investment buying power. The first essential for the foundation of any investment account is the selection of Government Bonds.

We recommend the purchase of the following Government and Corporation Bonds yielding 4.95% to 7%.

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Power Corporation of Canada	4½% & 5%	1959 & 1957
McColl-Frontenac Oil Co.	6%	1949
Eastern Dairies Limited	6%	1949

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News of Investment Markets

STABLE EXCHANGE THOUGHT UNLIKELY FOR SOME TIME

But Standard Statistics Bullish on Canadian Long-term Outlook

Optimism for the long-term outlook of the Dominion and the belief that Canada is in position to participate fully in the next revival of world wide business is the opinion voiced by Standard Statistics, New York, in a current survey of business conditions in Canada.

The near-term future is tempered by the indication of our national deficit accentuated by the burden of rapidly declining revenues from Canadian National Railways, according to this authority. The current situation has emphasized the fact that the government is maintaining a high protection policy which is considered significant in view of the fact that Canada is a debtor nation.

"Combined with the declining trend of general business," says Standard, "Canadian industry recently has had to contend with the confusion resulting from the numerous adjustments in foreign exchange relationships. The emergency measures immediately inaugurated by the Bennett administration, however, have preserved a greater degree of stability than normally would have prevailed following such drastic economic changes. The measures thus far imposed definitely indicate the maintenance of a high protective tariff policy.

Currency Stability Unlikely

"The present discount of Canadian currency is not likely to be corrected until a free international flow of gold is permitted and/or a more permanently favorable trade balance of the Dominion is re-established. While the present export ban on gold shipments extends only to March 1, 1932, the lifting of this regulatory measure, upon expiration, will depend largely upon the recuperative powers of Dominion and world trade which may be demonstrated in the meantime. The production of another normal wheat crop is necessary, we believe, before a sustained larger volume of exports can be expected.

"Internally, a sound banking structure, a prosperous gold mining industry and rising wheat prices afford the basis for considerable optimism as to the long term outlook. Over the nearer term future, another national deficit is indicated, a situation which is being accentuated by the burden of rapidly declining revenues from the Canadian National Railways. On the whole, it is our belief that the Dominion is in position to participate fully in the next revival in worldwide business. The closer inter-relationship now existing between the various countries of the world makes it improbable that substantial headway can be witnessed in Canada before the existing universal uncertainties have been at least partially clarified.

Security Forecast

"For those Canadian clients whose funds at present are held largely in the home market, we believe that Dominion securities, wherever possible, should be given preference, for new purchases, for the duration of the present discount on the Canadian dollar. That portion of funds now held in cash or securities in the United States market, however, should not be withdrawn, in our judgment, since it provides a desirable geographical diversification of accounts. For United States clients, we advise no change in investment policy regarding Canadian securities. In short, we remain of the belief that American investors are justified in seeking representation in the outstanding Canadian issues where broad diversification already is had in the domestic market."

Austrian Consul-General to Close Canadian Office

Instructions have been received from Vienna by Dr. Ludwig von Kleinwaechter, Austrian consul-general to Canada, to close the Canadian offices and return home. This action is stated to be part of an economy campaign instituted by the Austrian government following the failure of two or three important banks in Austria, the calling by British interests of the loan made to that country and the steady decline in trade revenue.

Dr. Kleinwaechter was named consul-general to Canada nearly two years ago and came to Canada in March of last year, and last fall he went back to Vienna and brought his family to Ottawa, leasing the house at 232 Metcalfe Street which he used both as his home and his offices.

Bond Tenders

12 o'clock noon, Nov. 25, School Commission of Lennoxville, Que.—$25,000, 4½ per cent bonds dated Sept. 1, 1931, redeemable serially from Sept. 1, 1932, to Sept. 1, 1961, payable at Bank of Commerce at Lennoxville, Sherbrooke and Montreal, St. James St. branch. W. R. Baker, sec.-treas.

12 o'clock noon, Nov. 23, Village of Philipsburg, Que.—$6,000, 5 per cent street improvement bonds, dated Nov. 1, 1931, payable serially until Nov. 1, 1951. Principal and interest payable at Bank of Commerce, Bedford, Que. W. Morin, sec.-treas.

Nov. 21, Town of Tilbury, Ont.—$75,000. 5½ per cent waterworks debentures payable in equal annual installments for a period of 30 years. Principal and interest payable at Tilbury. H. J. King, clerk.

4 o'clock, Dec. 7. Municipality of Mille Isles, Que.—$8,000, 5 per cent road bonds, dated Dec. 1, 1931, redeemable serially from Dec. 1, 1932, to December 1, 1951, payable at Bank of Montreal at St. Jerome, or at the office of the corporation. Allan Buxton, sec.-treas.

6 o'clock, Nov. 30. Municipality of St. Colomb de Sillery, Que.—$225,000, 5 per cent bonds for purchase of an aqueduct and building of filtering and pumping plant, etc. Bonds dated Jan. 1, 1932, redeemable serially from Jan. 1, 1933 to Jan. 1, 1972, payable at Bank of Montreal at Quebec, or at its branches. Pierre Lepine, sec.-treas.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Dom. Glass Co. ...	*6%	1938	Dec. 2	110
Cascade Water Power	4½%	1940	†May 1/32	100
Interlake Tissue Mills	*6%	1935	Feb. 1/32	101
Maine & N.B. Electrical Power	*6%	1948	Jan. 1/32	107½
Northern Electric	*5%	1939	Dec. 1	105
Imp. Realty	*6%	1945	Jan. 1/32	103
Mt. Royal Tunnel & Term.	*5%	1970	Apr. 15	100
Foreign Issues—				
Kingd. of Norway	*5%	1967	Dec. 1	100
City of Oslo, Norway	5½%	1946	Feb. 1/32	100

*Called in part.
†Or before.

Railway Earnings

Week end. Nov. 14: Gross	1931 $	1930 $	Decrease $
C.P.R.	3,322,000	3,409,000	87,000
C.N.R.	3,642,708	4,063,594	420,886

Gatineau Power Bonds Show Recent Strength

Revenue From Government and Municipal Contracts More Than Enough to Cover Interest

(Third of a Series on Canadian Bonds)

The 5 per cent first mortgage bonds of Gatineau Power Co. are widely held in the United States as well as in Canada and, if this issue cannot be given as high a rating as bonds of Bell Telephone Co. of Canada and Montreal Light, Heat and Power Consolidated, previously dealt with in this series, the very substantial interest taken by investors in these bonds warrants consideration of the known facts regarding this issue. Interest has been accentuated by rather radical changes in market price which have occurred during the past year.

An additional offering of the first mortgage bonds was made in mid-March, 1931, which brought the amount outstanding to $70,942,000. This offering was made at 92½ to give a yield of 5.55 per cent to maturity. This compared with the high for the year of 94½ registered in January on the New York Curb and reflected market conditions at that time. The 5's dropped some 10 points up to the end of May, strengthened in June and July and weakened slightly during August and the first half of September until Great Britain went off the gold standard. Resulting liquidation of Canadian bonds in New York disrupted the market and caused the Gatineau 5's to go as low as 60 in New York but due to exchange rate 69 was approximately the low bid price in Canada.

Very material recovery has taken place in prices since the demoralized market of late September and the Gatineau 5's are now selling around 78½ in New York and from 86 to 87 in Canada.

Prices Follow General Trend

Market action of the bonds, as outlined above, has raised many fears as to the inherent soundness of the security while, in many cases, weakness in price has been attributed to the fact that the company is controlled indirectly by International Paper & Power Co. and that a considerable amount of revenue is derived from power supplied to various newsprint companies. The conservative investor buying for a long hold, is not so concerned with short-term price fluctuations as the definite security of principal and interest but drastic changes in price that have occurred in the Gatineau bonds during the current year are not conducive to a feeling of safety unless they can be satisfactorily explained.

Comparing the price trend of the Gatineau 5's in 1931 with standard bond averages for utility issues in the United States it is not apparent that the market action of the Gatineau 5's is out of the ordinary although prices during the first five months may have been affected by some doubt as to earnings and the connection with the newsprint industry. The manner in which the additional offering made in March was placed may also have affected the situation. An earnings statement for the quarter ended March 31, 1931, was issued late in May and showed all interest charges earned by a fair margin and first mortgage bond interest in particular well covered. In the quarter ended June 30, 1931, the company earned first mortgage bond interest 2.17 times before depreciation and 1.95 times after depreciation while the ratios were slightly better for the half year ended June 30, 1931. Earnings for the third quarter should be available within a week or so and since the third quarter ended the load delivered to the Ontario Hydro-Electric Power Commission has been increased.

Prices for the bonds during the summer and up to September 20 were not at variance with the general price trend of utility issues, while the drastic drop in price subsequent to September 20 was experienced by all bond issues actively traded in the United States and Canada not excepting even highest grade government issues. Substantial recovery has been made from the September and October low prices.

Is Large Producer

Gatineau Power Co., with a present installed generating capacity of 599,519 h.p., is one of the largest producers of hydro-electric energy on this continent and capacity can be increased to 809,319 h.p. The principal water powers owned or held by the company under long lease are on the Gatineau and Ottawa Rivers within a relatively short distance from Ottawa, while the company owns a transmission and distribution system serving an area of some 5,000 square miles in the valleys of the Ottawa River and the St. Lawrence River between Ottawa and Montreal. Population in this area is around 250,000. In addition, the company owns all funded debt and outstanding common stock of Saint John River Power Co. which owns the largest hydro-electric power development in the Maritimes.

With this large installed capacity and additional power available for development the company must have an assured market for power not only in the immediate future but over a long period of years. This is the case, and long-term contracts with the Hydro-Electric Power Commission of Ontario, Ottawa Electric Co., Canada Cement Co., Canadian International Paper Co., E. B. Eddy Co., Fraser Companies, New Brunswick International Paper Co. and New Brunswick Power Commission would appear to assure that earnings can be maintained on at least the present basis over a long period.

As mentioned before, some weakness in the market for the bonds may have developed from the fact that substantial amounts of power are sold to pulp and paper companies. A study made of the various contracts and the revenue being derived from sales under these contracts would indicate that revenue from sales to the Hydro-Electric Power Commission of Ontario and to various municipalities in the Ottawa Valley will more than cover interest on first mortgage and purchase money obligations after a deduction of total operating and maintenance expenses. The margin is figured at some 29 per cent, while this is further increased by sales to the various pulp and paper companies and the New Brunswick Power Commission.

Interest Well Covered

The company is now delivering 304,000 h.p. to the Ontario Commission, most of which is on a 30-year contract; an additional 36,000 h.p. is contracted for future delivery. The aggregate amount of power now being sold by the company on all of its primary contracts is 453,000 h.p. Retail sales made direct by the company, through the distributing system acquired from Gatineau Electric Light Co. early in 1931, amounts to well over $1,000,000 annually and it is estimated that including this item, sales to municipalities amount to some $1,400,000 per year. Revenue from contracts with the Hydro Commission amount to $4,471,000.

It is apparent that the company's chief outlet is to provincial commissions or for municipal and domestic purposes and that industrial contracts, while a very important item, are not the only surety that earnings will continue to exceed fixed charges by a satisfactory margin. Including revenue on industrial contracts, it is estimated that the company will earn interest requirements on first mortgage and purchase money obligations by over 200 per cent after deduction of operating and maintenance charges.

Assets of the company at December 31, 1930, including Gatineau Electric Light Co. acquired at a later date, amounted to $142,544,439 of which $133,933,257 was in fixed assets; properties, power development and rights being carried at $132,203,173. Current assets exceeded current liabilities by almost two to one. The net tangible assets per $1,000 face value of first mortgage bonds at December 31, 1930, amounted to $1,858. Subject to the first mortgage bonds are two issues of 6 per cent gold debentures of which there is $18,946,500 outstanding. There is $25,000,000 of 6 per cent preferred stock and $2,500,000 of common, both having a par value of $100, outstanding and entirely held by Canadian Hydro-Electric Corp. This company is, in turn, controlled by International Hydro-Electric System which is controlled by International Paper & Power Co.

Is Not Closed Mortgage

One of the less favorable points of the first mortgage bonds is that the first mortgage is not a closed mortgage but is open-ended. The total authorized is $250,000,000, of which $72,000,000 has been issued and $70,942,000 is outstanding. The following safeguards have been set to additional issuance of funds: In addition to refunding an equal amount of bonds of any series outstanding, first mortgage bonds may be issued also for not more than 75 per cent of the cost or value of additional property or construction including securities of other corporations and then only when net earnings, as defined in the trust deed, for 12 consecutive calendar months out of the 15 months immediately preceding application for issue (together with 8 per cent of estimated future net earnings from contracts) shall have been at least equal to twice annual interest requirements on all first mortgage bonds issued and outstanding, including those proposed to be issued.

Details of the funded debt, including debentures, of Gatineau Power Co. are given below. The debentures also have a good market but, of course, may not have the same security as have the first mortgage bonds. It is a commentary on the vagaries of the September bond market, however, that on occasion the price of the 6 per cent sinking fund debentures was higher than that for the first mortgage bonds, due in all probability to forced dumping of the higher grade issue. This is one reason why the investor should not be influenced unduly by the market action of the first mortgage bonds during recent months.

	5% S.F. 1st Mortgage Gold Bonds	6% S.F. Gold Debentures	6% Gold Debentures, Series "B"
Dated—Due:	June 1, 1926—June 1, 1956	June 15, 1926—June 15, 1941	Oct. 1, 1928—April 1, 1941
Outstanding:	$70,942,000	$11,446,500	$7,500,000
Authorized:	250,000,000	12,500,000	7,500,000
Interest Payable:	June & Dec. 1, in U.S. or Canadian funds.	June and Dec. 15, in U.S. or Canadian funds.	April and Oct. 1, in U.S. and Canadian funds.
Listed:	Boston S.E.; N.Y. Curb.	Boston Stock Exchange	New York Curb
Denominations:	Coupon bonds, $500 & $1,000; registered, $1,000 & multiples.	Coupon, $500 and $1,000; registerable as to principal.	Coupon, $500 and $1,000; registerable as to principal.
Trustee:	Royal Trust Co., Toronto and Montreal, Chase National Bank, New York.	Montreal Trust Co., Montreal; Bankers Trust, New York.	Montreal Trust Co., Montreal; Bankers Trust Co., New York.
Redeemable:	On any interest date, on 30 days' notice, at 105 to June 1, 1936; thereafter at decrease of 1% in premium for each 5-year period to June 1, 1951; thereafter at 101 to maturity.	At any time in whole or in part after 30 days' notice at 104½ to June 15, 1932, premium decreasing ½% each year thereafter.	In whole or in part on 30 days' notice at 104½ to April 1, 1932, and ½% less for each succeeding year.
Sinking Fund:	Started Dec. 1, 1927, minimum annual amount of ½% of greatest principal amount of bonds outstanding at any time.	Started June 15, 1927, sufficient to retire over 40% of debentures prior to maturity.	None.
Security:	Direct 1st mortgage on all principal water powers; transmission and distribution system in Quebec; securities of subsidiary companies.	Direct obligation of Gatineau Power Co. which agrees not to issue bonds, or other debt secured by mortgage, pledge or other lien, with certain exceptions, unless debentures are equally secured therewith.	Same as sinking fund debentures.
Provisions:	Other bonds may be issued (a) For refunding purposes. (b) Up to 75% of cost or value of additional property, including securities, but only when earnings shall be at least twice interest requirements on bonds outstanding and to be outstanding.	....	....
Offered to Public:	$25,000,000, July, 1926, at 94; $18,500,000, Sept., 1927, at 97½; $7,900,000, Oct., 1928, at 97¼; $8,500,000, Mar., 1931, at 92½.	$12,500,000,, July, 1926, at 99½	$7,500,000, Sept., 1928 at 101.
Issued for various purposes	12,100,000	....	....
Total issued	72,000,000	12,500,000	7,500,000
Redeemed to Dec. 31, 1930	1,058,000	1,053,500	....
Outstanding at Dec. 31, 1930 ..	*$70,942,000	$11,446,500	$7,500,000

*Including $8,500,000 offered in March, 1931.

MONTREAL PLANS FUTURE FINANCING

Quebec Province Will Also be in Market—Future in Doubt

Montreal officials are considering a tentative programme of $15,000,000 of financing within the next six months. Borrowing will be cut to a minimum so far as needs for unemployment relief and improvements connected with public health will permit. It is realized that a difficult time is ahead for municipal borrowers and so long as this situation exists the city is prepared to proceed cautiously.

Civic officials have recently been in conference with officials of the Bank of Montreal and have come to the realization that while the city is financially very sound commitments should not be undertaken with the idea that major financing can be done on short notice. New York and London markets are closed on account of exchange rates while Canada must absorb the Dominion loan and a very considerable volume of provincial and municipal financing.

It is believed that Quebec will enter the market for some $10,000,000 or $12,000,000 in the near future. The province is expected to issue short term bonds, possibly maturing in five years and bearing a 5 per cent coupon rate. The loan will be made in Canada and it is anticipated that the majority of the issue will be placed within the province. The purpose of the loan will be to cover needs created by current conditions.

No financing can be undertaken until the new Dominion loan is definitely placed. In recent months there has been no provincial financing through public offering of bonds and municipal financing has been practically negligible. There will be a very considerable volume of provincial and municipal financing to be done within the next few months and the outlook for low cost financing is not attractive. Many of the smaller municipalities will undoubtedly have to do financing at a comparatively high cost basis unless basic conditions change materially.

WEATHER DAMAGE NOT UNFAVORABLE

Tough and Damp Wheat Plentiful But Movement Now at Peak

Extraordinarily fair and warm weather has continued in Western Canada during another week, says the final weekly crop report of the W. Sanford Evans Statistical Service, dated Nov. 12. Wheat threshing is practically complete and only about 10 per cent of feed crops remain in far Northern Alberta. Peace River crops are all in.

Tough and damp wheat is still coming through in some volume and the total to date, 7,248 cars, is larger than the total up to the same date last year of 6,795 cars. But the situation in regard to wheat affected by wet weather is much less serious than last year, for while the movement is now at a peak from the affected districts, this time a year ago the snow was only melting off the stooks in northern districts and the bulk of the affected wheat did not come through until November and the beginning of December. The present rate of inspections of tough and damp wheat is about 1,000 and 1,200 cars weekly, a year ago the total for November was 12,175 cars, an average rate of over 3,000 cars weekly.

Deliveries of wheat and coarse grains are still substantial. While it is true that grain prices have not shown a net gain during the week, the increase over prices a month ago makes it much more profitable for farmers to deliver their grain now than it was then, and if present levels are only maintained a larger proportion of all grains, and in particular oats and barley, will be delivered than was expected at the beginning of the season.

The Dominion entomologist has pointed out the danger of serious insect damage in 1932. Grasshoppers and cutworms were present in large numbers over all provinces in the season just past, and it is therefore very likely that they will again be present in these affected districts at least, and they may also spread. The extent of their damage depends on how suitable weather conditions are to their propagation and destructive workings. In the case of grasshoppers control methods may also be effective in checking damage. Wireworms and western sawfly are also mentioned as less important menaces.

New crop inspections to date and a year ago are as follows:

New Crop Inspections up to and Including November 11

Wheat	This Year	Last Year
1 Hard	6,300	9,608
1 Northern	16,101	37,348
2 Northern	22,023	22,398
3 Northern	5,740	3,852
4 Northern	1,095	1,349
No. 5	339	88
No. 6	121	16
Feed	212	15

United States Guarantee Co. has been granted a certificate of registration by the Quebec Insurance Department to transact in that province burglary and automobile insurance, excluding loss or damage to an automobile by fire or transportation; and insurance against liability for loss or damage from accident to employees or other persons or to property.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year end	Net income 1930-31 $	Net income 1929-30 $	Common earnings 1931 $	Common earnings 1930 $	Curr. divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
Waterloo Mfg.	Oct. 31*	†99,169	102,126	...	...	...	2,007	243,161	3⅛	..	...
Consumers' Gas	Sept. 30	1,267,211	1,390,438	9.56	10.49	10.00	226,814	284,602	$178	18.6	5.6
United Farmers Co-operative Co.	Sept. 30	†92,785	13,012	...	0.19	...	†52,321	40,464	..	..	...

*Year ended October 31, 1930.
†Deficit.

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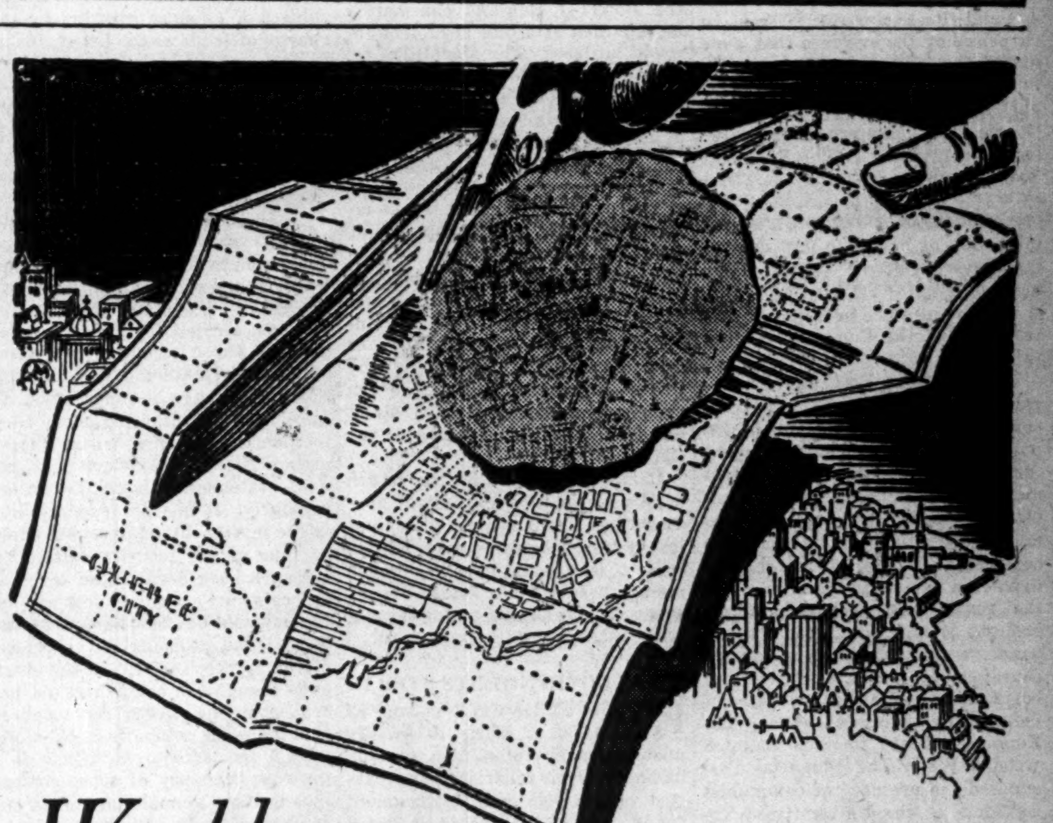

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PURCHASING POWER
In the most recent industrial census, 251 Quebec industries reported a combined capital of $69,857,968 and a total production valued at $44,608,105; they were employing 10,243 people and paying salaries and wages amounting to $9,747,565 per year.

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TORONTO, NOVEMBER 21, 1931

SUPPORT THE LOAN

INVESTORS of Canada should not hesitate to give the fullest support to the domestic loan to be offered next week. The bonds are backed by the best security that is available to the Canadian investor and the yield presented is particularly attractive. Purchases of this bond issue may be made on a basis of merit. While national committees have been formed to win support for the loan, and while it is essential that the loan be put across, investors do not need to approach the issue on the basis of support. They are being given a good yield on a good bond and that should be any investor's chief reason for participating in the issue.

MOSCOW'S AGENTS BROUGHT TO BOOK

NO ONE who has read The Financial Post since 1917 can be surprised by the evidence that came out at the trial of the communists in Toronto. That these men were paid agents of the Third Internationale, or Comintern at Moscow, has been revealed in The Financial Post on many occasions. The Third Internationale is a revolutionary propaganda organization, run by the group of men who now control the government of Russia. The present dictator of Russia, Stalin, is the moving force in this body and secretary of the Communist party in Russia.

The Financial Post has consistently conducted a campaign against communist agitation in Canada, exposing the communists at every turn, and calling upon the government to deport them. The Financial Post can afford to admit that many good citizens of Canada have considered The Post to be slightly insane on the subject and many of the revelations published merely brought jeers. One Toronto newspaper, which has given great encouragement to the spread of communism in Canada, wrote some delightful editorials about The Financial Post "in its haunted wood." When The Financial Post exposed the presence of communist agitators at the University of Toronto, we were subjected to abuse from university professors, members of the alumni, the undergraduate newspaper and students who failed to realize the extent to which communist agitators were active around that institution.

In addition to many articles exposing agitators, articles which mentioned the names of those who are active in Canada and the names of the organizations through which they operated, The Post has published innumerable editorials on the subject and from a few of these editorials the following random quotations are made:

"A score or more of very astute Soviet agents have been worked into Canada from the States in the last few months and are finding places in important establishments." May 8, 1920.

"These demonstrations (by the O. B. U.) indicate the continued activity of Soviet propagandists in Canada." Aug. 27, 1920.

"The Communist Party of Canada has been re-organized in Canada on instructions of the Third Internationale, Moscow. It has laid down a programme of mass action in Canada as a vital form of proletariat activity, leading to armed insurrection, and civil war, as the decisive, final form of mass action for the destruction of the capitalists." Aug. 5, 1921.

"Communist propaganda in Canada is a menace that is very much alive." June 2, 1923.

"Practically every Canadian university has been used as a recruiting ground for agitators." June 8, 1923.

"The strike in Cape Breton is directed by professional agitators directed by the Reds from Moscow." July 13, 1923.

"The modus operandi of these agitators is by means of societies with harmless sounding titles. In Toronto University especially, speakers and intriguers have been particularly active of late." May 30, 1924.

"Imported speakers, appealing to the public for support in social work include many who blew up munition plants and bridges of railways carrying troops." July 1, 1924.

"The millions that are being spent in Canada come from foreign sources. They are being used to stir up strikes, make workers inefficient and spread immorality." Sept. 19, 1924.

"University of Toronto has openly allied itself with the Communists. Jack Macdonald, secretary of the Communist Party in Canada, has been invited to attend and speak from the floor on behalf of communism." Jan. 13, 1928.

"Many Toronto kiddies of tender years are being educated to think along revolutionary lines. Children of 6 to 14 are taught the doctrines. Lenin and Trotsky are hailed as the saviors of civilization.

"The chief revolutionary body in Canada is the Communist Party of Canada which is the Canadian representative of the third (Communist) Internationale of Moscow. Evidence has been adduced that the Communistic propaganda has been carried on in Canada with funds derived directly from Moscow." May 25, 1928.

"The efforts of Communist agitators in Canada are all part of a shrewdly conducted campaign which has the ultimate objective of weakening or destroying Canadian institutions. The agitators should be deported." Nov. 20, 1930.

"The Communist Party, that stretches its tentacles out is merely the creation of the Russian dictators. The Communist Party of Canada is the directing force and it makes no secret of the fact that it admits no boss but the Soviet boss." Mar. 19, 1931.

"Recently a Toronto business man who conducts a large Sunday afternoon class among young men of an impressionable age invited the organizer of the Communist Party in Canada to speak to his group in order to give them some understanding of what communism is. It would no doubt shock this business man if he were informed that the communist in question was appointed to his position by the Politbureau, and that the Politbureau is a group of ten Russians, including Stalin, who between them control the Soviet governmental machinery as one job and as a second job manage the affairs of the Comintern, which is the vehicle for the dissemination of revolutionary propaganda and which directs and stimulates revolutionary activities throughout the world." Mar. 19, 1931.

Possibly no campaign conducted by The Financial Post has ever brought greater unpopularity, and less immediate credit than its 14 years of exposure of the activities of Soviet agitators in Canada. In recent years, many other newspapers and public speakers have taken up the matter, including some of those that were most violent in their denunciation of The Post.

Now a group of the agitators have been brought to book, but we must not assume that communistic agitation has received a death blow. It has merely received a temporary setback, and it will be necessary for governmental authorities, newspapers, public men, and particularly labor leaders to be very alert in watching for the resumption of communist propaganda in Canada that is practically inevitable.

NORMAN AGAIN HEADS BANK OF ENGLAND

RE-NOMINATION of Montagu Norman for governorship of the Bank of England can hardly be regarded at a bull argument for world business. The MacMillan report made it clear that the Bank of England is the determining factor in British monetary policy and that recent monetary policy has had much to do with Britain's industrial depression. The governor of the Bank of England is not an official of state but an employee of the private stockholders of the Bank. The Bank is not controlled by British industry but by international bankers whose primary interests are not always those of British traders. This explains why British monetary policy since the war has not been of much direct benefit to the business men of the Old Land.

It is to be hoped that the return of Mr. Norman to his post of governor does not indicate a victory of international bankers over British traders, who would have been much more hopeful had Sir Josiah Stamp, a practical and far-seeing economist, received the appointment.

WHEN GOVERNMENTS STEP IN

IN NEW YORK CITY a fund of $18,000,000 is being raised for unemployment relief. In Canada unemployment relief is being carried out largely with government funds. All over the United States local private organizations are raising unemployment relief funds and the total to be raised throughout the whole of the country will be very large and will probably amount to as much per capita as our governments in Canada are expending on unemployment relief.

The American method of handling this problem is a better one than our own. It is a very dangerous plan to introduce, as we have done in Canada, the idea that the Government owes every man a living. Our plan is extravagant, unwieldy and unsound.

Most of the people who are now drawing payments of one kind or another under our unemployment relief plan are people who have enjoyed good incomes in the past but who through inability to budget their incomes or through misfortune have not exercised the quality of thrift that is the only certain assurance against need and privation. People who have saved their money are now being taxed to maintain those who have not. Obviously, those who have are willing in time of crisis to share with those who have not, but their contributions should be voluntary and should be expected of them only when there is absolute necessity for them. One trouble with governmental schemes of relief is that they have a tendency to become more or less permanent and develop abuses not forseen originally. What started out as a perfectly good unemployment insurance scheme in the Old Country developed into a public bonusing of idleness.

Governmental relief schemes have another serious weakness in that they pile up public expenditures at a time when public revenue drops to a low ebb. They create budget deficits which in turn create unstable monetary conditions and high taxation. These two conditions lead inevitably to a prolonging of the period of crisis, a vicious spiral is initiated, and in the end the degree of privation actually created by the scheme amounts to more than the degree of privation ameliorated by it.

It is to be hoped that Canada's present experience with governmental financing of unemployment relief will teach us a lesson that will be a warning to us in the future.

In the United States when banks got into trouble through unsound loans, a huge private banking corporation was formed to aid in the liquidation of these loans and to provide credit to replace that which had been frozen. In Canada when the Wheat pool loans became frozen and promised to become a menace to the banks, the Provincial Government were called upon to take them over. It was a matter of a moment to transfer these debts to the public; it will be a matter of a generation to work off their effect.

Today we are paying the enormous costs of assuming the burdens of the railways. If Canada and its provinces had permitted the Canadian Northern, the Grand Trunk Railways to go into receivership and to be sold to the highest bidder back in 1929 the Dominion and the provinces would be paying out an annual amount of about $20,000,000 a year in interest charges on bonds that they had unwisely guaranteed, but their loss would have been fixed at that figure and as the bonds were paid off the interest would no longer have been a charge on our revenues. But we took over the railways and they will cost the public this year three times that $20,000,000.

When governments step in to meet emergencies that should be met by private initiative they merely make permanent difficulties that would otherwise work themselves off within a reasonable period.

STATUS OF CURB STOCKS

A NUMBER of companies whose shares are listed and traded in on the unlisted or curb sections of various exchanges have this year failed to publish annual statements. Some stock exchanges assume virtually no responsibility in connection with shares that are traded in on the curb sections. Investors, however, too often are not aware of the fact that companies listing their shares on the regular listed section of the stock exchanges are the only ones which are obliged to publish annual statements and send out information to shareholders; investors are apt to assume that the so-called unlisted stocks are the subject of as close scrutiny by exchange officials as the listed stocks. In fact, seeing both listed and unlisted stocks mentioned in the daily trading sheets of these exchanges and in the daily and weekly newspapers such investors are apt to assume that the exchange enforces its rules on all.

All these stock exchanges should adopt devices which would make it apparent to every investor and trader that these companies, whose stocks are traded in on the curb sections, are not in the same category as those which give the required information. The Toronto Stock Exchange is understood to have been representing from time to time to companies whose shares are on the Toronto Curb that annual statements should be issued regularly. It has no responsibility in the matter although all but three or four of the securities listed on the curb have been placed there at the company's own request and on the payment of a fee. Several stocks were listed in boom days because of the market interest in the stock even though the companies did not request listing. At present application from the company itself along with a fee is required. There is a growing tendency of these companies to issue annual statements but some are tardy. Waterloo Manufacturing Co. has only issued its financial statement for year ending October 31, 1930, in November this year. Shareholders are left almost as much at sea as though they had no statement at all when reports are delayed so long.

On the unlisted section of the Standard Stock & Mining Exchange there are some securities listed although not requested by companies who issued them. The desire was to provide a market for securities which had obtained some distribution. In such cases, however, the general public is likely to think that such stocks have passed the scrutiny of the exchange whereas the exchange cannot exercise discipline on such companies or insist on returns. It is not believed, for example, that Standard Stock & Mining Exchange has had adequate reports on Chemical Research Corp.

Until policies are made quite plain with respect to all classes of stocks, wherever listed, investors should not lean too confidently on records of sales, prices and quotations of stocks traded in on curb sections. Exchange officials have not in many cases secured very full data from such companies.

The Financial Post believes that full disclosure of all pertinent financial facts should be made to stock exchange officials when listing occurs and that, in fairness to shareholders, each company publish thereafter periodical statements so that the trading public will have a fair chance to know what is happening to the company. Stock exchanges improve their own influence and usefulness by insisting on such information and they cannot insist on it if they list stocks against the will or without the consent of a company.

A $600,000,000 newsprint merger makes a good "page one" story but what Canadians are entitled to know is "what good is it?" Surely the last two years have demonstrated that greater size does not necessarily mean great efficiency.

POST-scripts

WHEN a railway president resigns in the United States, his successor is not often appointed by the simple process of promoting one of the vice-presidents and effecting a general sequence of promotions all the way up the line. They seem to think over there that the proper thing to do is to steal a president from some other railway.

Patrick E. Crowley resigned from the presidency of the New York Central the other day and was succeeded by Frederick E. Williamson, president of the Chicago, Burlington and Quincy. That meant that some one had to be found to succeed Mr. Williamson and so Ralph Budd, president of the Great Northern Railway, is, according to rumor going to get Mr. Williamson's job. But such a move will leave the presidency of the Great Northern vacant and finally, thus far down the line a vice-president is to be promoted.

Outsiders will think it somewhat anomalous that in order for the vice-president of the Great Northern Railroad to be promoted it is necessary for the president of the New York Central to resign, and even at that the promotion is twice removed from the original cause of it.

New Books

"The Gold Standard"

Seven very interesting addresses on the gold standard, delivered in Montreal on sundry occasions recently, by Professor J. P. Day, of McGill University, have been re-published in booklet form. They give an adequate understanding of the gold standard to even the lay mind. Professor Day undertakes to tell what the gold standard means, its essential purposes, how it has worked in history and why it has not worked satisfactorily since the war. Five of his addresses are devoted to this subject but the last two addresses, which cover the future prospects of the gold standard and its possible fate, are the most interesting.

Professor Day is inclined to feel that Great Britain will devalue the pound and return to a pound sterling containing 113 grains of gold worth $4. He discusses the possibility of Canada devaluing its dollar, at somewhere around 90 cents in American money, but he does not consider that such devaluation is as yet called for nor can it be regarded as a certainty.

An interesting alternative to a return of Great Britain and other British countries in the gold standard is presented by Professor Day in a suggestion for the formation of a sterling block of British countries which would not return to the gold standard, but which would maintain their currencies steady in relation to price levels.

The Montreal Board of Trade is undertaking to distribute copies of the booklet containing these seven addresses. The booklet may be obtained from the Board at 50 cents per copy.

As Others See Us

Not Union Government

Vulcan (Alta.) Advocate.—It is a weakness of the Canadian system of government both Federal and Provincial, that the head of the government in power is restricted to his own party in forming a cabinet, regardless of any conspicuous ability. A premier could immensely strengthen his hand if he could comb the country for the best to make up his advisory body.

In this regard The Financial Post points out the superiority of the U. S. cabinet system. "Under this system the Prime Minister could hand-pick the nation for experienced proved leaders for administrative and cabinet jobs. Such men would take no part in petty political problems but would work for results in their administrative policies." They would be outside party politics but would build up the prestige of the party by the efficiency of their results. It would pay a premier to pick the most capable.

Road and Rail

Quebec Action Catholique. — Professor Jackman, writing in The Financial Post, expresses the belief that the railway problem will not be really solved until the autobus and lorry services have become a department of the railways. That is to say that he proposes to return to the point where we ought to have started. But the world has gone forward of late years, the railways are in a difficult position and there are people who claim that our railways ought to be unified under the direction of the Canadian National. What an immense transportation trust would result from the exclusive exploitation of autobuses and lorries by a railway which had become a monopoly of the State. In what kind of a position would the Canadian people be placed when the only kind of competition they had to offer to the railways was their own autos and vans?

Loan Sharks

Barrie Examiner. — The Financial Post is to be commended for throwing the limelight of publicity on the "short past due loan racket" as a writer picturesquely names it. According to that paper the particular form of this "racket" in addition "to charging anything from 100 to 200 per cent interest on the loan is to make the loan for a very short period, say three or four months, which necessitates high monthly repayment charges." This makes the situation very hard for the borrower and ensures "a steady flow of used cars" into the lot next door which The Financial Post alleges is maintained by these loan companies and operated under different names. Those who find it necessary to raise money for this purpose would do well to take this warning and go to a reputable source to raise the necessary collateral.

"Stop Me If You've Heard This One"

The newly elected president of a banking institution was being introduced to the employees. He singled out one of the men in the cashier's cage, questioning him in detail about his work, etc.

"I have been here forty years," said the cashier's assistant with conscious pride, "and in all that time I made only one slight mistake."

"Good," replied the president. "Let me congratulate you. But hereafter be more careful."

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

THE LEAGUE AND THE ORIENT

IF THE League of Nations ever had its Great Opportunity, it would seem to be in the present conflict between Japan and China which now threatens to blossom out into a full-blown war. Yet, beyond various meaningless gestures, the League of Nations is doing nothing and, what is more, the feeling of well informed statesmen is that the League of Nations will be able to accomplish nothing.

The League may bring all its moral forces to bear upon both Japan and China but it cannot take definite action. Theoretically, the League of Nations could institute an enquiry to determine which is the aggressor nation and then could bring into play the moral and even the physical powers of the member nations to punish that aggressor. But the League of Nations will not act without the consent or co-operation of the two or three European countries which really run it and these countries are not anxious that the aggressor should be named for they well and truly know that the only logical conclusion that can be arrived at is that Japan is, in the present instance, the aggressor. If the League were to name Japan as the aggressor it would undoubtedly re-act unfavorable against Great Britain, France and some other countries. In the meantime, the United States, which is not a member of the League and which would, therefore, maintain a detached position of independence toward the proceedings, would gain a great moral advantage in Japan and the influence on Japanese-American trade relations would be pronouncedly favorable, at the expense of British and French relations.

Under the circumstances, we may expect the League to continue to go through the motions of attempting to bring out peace between Japan and China, but without accomplishing any of the purposes for which its idealistic supporters think it was formed.

On the other hand, one wonders how the League of Nations can continue to have any great moral influence so long as it proves to be helpless when a real military crisis arises. It has managed to settle some small difficulties that would have been settled by the pressure of larger powers in any event, but it apparently dares not offend any of its larger members.

* * *

NEW ZEALAND'S PROBLEMS

NEW ZEALAND is attempting to meet its financial crisis by public economy. A coalition ministry has revised the budget in an attempt to bring the government's expenditures within its income. The New Zealand Financial Times admits that the country is poorer as a nation than it was a generation ago and largely through its own folly. The people of New Zealand got too big an idea of themselves, they imported too much capital to be properly absorbed and too many immigrants to be comfortably accommodated except by the lavish expenditure of loan money. The editor of the Times points out that ordinary departmental economy will not effect the reduction in the expenditures that is necessary. He commends the Minister of Finance for his comment that there must be a curtailment of the less essential services and functions of the state. Some of those that are instanced are free dental treatment, nursing and so on.

New Zealand is tackling its problems of public finance better than Australia and for that matter better than Canada has done. After all it has recognized that there is no economy except forced economy, and that forced economy must include much more than reductions in ordinary expenditures; it must include a willingness to jettison every public service that cannot be regarded as absolutely essential.

* * *

BRITAIN'S TARIFF M.P.'S

THREE hundred and nine members of the new British House of Commons are on the Parliamentary Committee of the Empire Industries Association. Previous parliaments have never had many more than 200 members of this association. Since the election, a considerable number of new members have joined the association. This affiliation is rather significant, for the Empire Industries Association is strongly out for tariff and for Empire preference. These 309 M.P.'s, who number approximately one half of the House of Commons, will not be inclined to stand for any namby-pamby attitude on tariffs. If their leader, the Rt. Hon. Ramsay MacDonald, is slow in bringing into effect the Imperial Tariff scheme that the Empire Industries Association wants, there is a possibility that these 309 members will withdraw their support and attempt to form a new government.

One observer in England, writing to The Financial Post, states that he expects the present parliament to last five years, but he is not at all certain that the first cabinet will be the last. If the Empire Industries Association smashes up the government, then Sir Austen Chamberlain would probably be called upon to form a government.

Sir Austen is not in the new government. He wrote recently to the Rt. Hon. Stanley Baldwin, resigning any claim he had in the allocation of posts in the government, and asking that the office of First Lord of the Admiralty, which he held, be open to reward the services of some younger man. But Chamberlain is not out of politics and it is within the bounds of possibility that he will be back at the head of a tariff government.

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117C

Business Conditions in Canada

The Week in Business

West Suffers from Moisture Lack

New Indices Measure Canadian Carloadings

WHILE October brought good news to western farmers who had wheat to sell it also brought disappointment to thousands who were looking for abundant rainfall to offset the ravages of three years of drought and lay the groundwork for a good crop in 1932. Recent reports from the West indicate that in four out of five of the dry areas, precipitation in September and October was below normal and in the remaining area precipitation was only normal. This leads the W. Sanford Evans Statistical Service of Winnipeg to remark in a recent bulletin, that the moisture situation now obtaining in the Prairie Provinces is more serious than in any recent year.

It must be borne in mind of course that fall and winter precipitation is not a certain indicator of next year's crop at any time, but other things being equally good fall and winter precipitation materially increases the probability of good crops and similarly poor fall and winter precipitation decreases the probability of average crops. Furthermore the situation in respect of southern Saskatchewan becomes particularly serious when the problem of drifting and the lack of reserve moisture is considered. Heavy rains and a good snow covering are almost essential to prevent drifting in the spring and winter months and to give some reserve for the growing season requirements of 1932 crops.

* * *

CARLOADINGS have always been one of the most interesting indices of business in Canada since they are highly sensitive to the movement of physical business across the country and are the only reliable national index of business available in Canada on a weekly basis. Particularly are they of interest at the present time when there is keen interest on the part of business for any signs of returning business revival.

To facilitate comparison of loadings this year with previous years and to determine the trend, the Dominion Bureau of Statistics has adjusted carloadings for seasonal variations and computed index numbers using the average for 1926 as 100. This valuable compilation shows that loadings are currently 21 per cent below the "normal" and that the usual seasonal upturn which customarily reaches a peak around the end of October, failed to materialize in 1931, and that the encouraging increase now under way only became evident a few weeks ago.

* * *

ANOTHER carloading indicator which is also of considerable value and interest to Canadian business is one recently prepared and now published weekly by Jones Heward & Co. of Montreal. This index measures the movement of purely merchandise and "l.c.l" freight which is considered the most sensitive factor in the carloadings barometer, and compares actual loadings each week with a computed "normal" which takes into account seasonal variations. This index shows that merchandise and l.c.l. loadings for the first week in November were 77.71 per cent of normal as compared with 76.9 per cent in October and 75.5 per cent in September, there having been a small though fairly steady upward swing since the middle of September when the index was first compiled.

NEW ESTIMATES OF WHEAT CROP 10 P.C. HIGHER

Based on Decennial Census For First Time

Revised estimate of Canada's total wheat crop places the total now at 298,000,000 bushels as against 271,400,000 bushels forecasted in the first estimate. The latest figure is based upon preliminary acreage data gained from the decennial census by the Dominion Bureau of Statistics, this being the first time this source has been used.

The increases in both acreage and production are largely confined to the northern areas of the two Western provinces, where the crop was late and where wet harvesting weather resulted in a lot of tough and damp wheat. It is probable, however, that a considerable portion of this off-grade wheat will not be marketed.

The most notable change among the Ontario figures is in the production of wheat, which is placed about 5.5 million bushels lower due to the lower yields per acre reported and the lower acreages revealed by the census. The production of other grains such as oats, barley, rye and flaxseed is also revised downward, but to a lesser extent.

Alberta Increase Biggest

Special attention is centred on the prairie provinces where grain production is such an important feature of the farm economy. The forecast of wheat production is raised by 32.6 million bushels from 246.4 million to 279 million, mainly because of much larger seeded acreages shown by the census, compared with the estimates used in the September 9 report. The acreage increases of the census over the survey amount to very little in Manitoba, but to 894,047 acres in Saskatchewan and 1,204,895 acres in Alberta. The yield per acre is placed fractionally higher in Manitoba, 0.6 bushels per acre higher in Saskatchewan and 0.6 bushels per acre lower in Alberta. Thus the total production estimates are 1 million bushels higher in Manitoba, 15.7 million bushels higher in Saskatchewan and 15.9 million bushels higher in Alberta.

These increases, it should be noted, are largely confined to the northern areas where the crop was late and where the grades were lowered and "off contract" due to wet harvesting weather. Since the increases are also in the district with the largest number of hogs and poultry, the farmers will use considerable of the cheap, tough and damp wheat for feed.

In the maritime provinces, the provisional estimates now presented are generally lower than the preliminary estimates because the census acreages are lower than those of the June survey. Yields reported per acre are about the same as in the earlier estimates. In Quebec, despite the fact that yields per acre were usually reported slightly higher in this second estimate, the total production figures are lower due to the lower census acreages.

In British Columbia, the changes revealed by the latest estimate, both in acreage and production, are very slight.

Comparative estimates for 1930 and 1931 for the various types of crops, for the Dominion, are as follows:

FIELD CROP ESTIMATES

AREAS AND YIELDS	1931 000 acres	1931 000 bushels	1930 000 acres	1930 000 bushels
Wheat	26,116	298,000	24,898	397,872
Oats	12,819	331,248	13,259	423,148
Barley	3,765	67,972	5,559	135,160
Rye	778	5,888	1,448	22,018
Peas	105	1,752	129	2,371
Beans	74	1,180	99	1,489
Buckwheat	318	6,919	490	10,903
Mixed gr.	1,184	38,540	1,201	44,276
Flaxseed	628	2,847	582	4,399
Corn, hskg.	139	5,648	161	5,826

Wheat Strengthens After Reaction

	Canada	United States
Commodity Prices:	Retail price drop continues in October. D.B.S. index off 6 to 87.4; 97 a year ago.	Annalist index rises 100.7 to 101.8 in week ending Nov. 3. Prices currently weaker.
Iron and Steel:	Int. Nickel's early Nov. business best since June. Nine mos. profit 17 cents a share.	Steel ingot output gain continues, now at 31 p.c. capacity against average for October of 27.8 p.c.
Foreign Trade:	Sept. exports exceeded imports by 7.96 p.c. In same month 1930 imports were 8.45 p.c. over exports.	Sept. total $350,586,000 lower by 34.9 p.c. than corresponding month last year.
Car Loadings:	Week ending Nov. 7 showed continuation of decline from Oct. 24 peak; 6¼ p.c. below same week 1930.	Week ended Oct. 31 lowest for month at 740,363 cars, 20.7 p.c. below same week 1930. Year's figures down 18.8 p.c.
Employment:	Unemployment in factory centres reduced. Opening of C.P.R. shops throughout Dominion affects 8,000.	Index of manufacturing employees at 71.3, lowest point since 1914.
Stock Markets:	Prices react sharply due to profit taking following recent upturn.	Market reacted after attempting to discount spring trade prospects. Technical position weak.
Week's Highlight:	Latest estimate of 1931 wheat crop places total 26½ million bushels higher at 298,000,000 bus. Market strengthens after reaction.	Decrease of $26,000,000 in money in circulation, contra to seasonal trend, indicates decline in hoarding.

Little Change Recorded In October Statistics

Financial Post's Preliminary Index Shows Decline But General Level of Business Remains Near September Level

By SYDNEY B. SMITH

While The Financial Post preliminary business index showed a further recession in October, the moderate nature of the decline indicates that the level of business operations was not greatly altered during the month. The index was 105.1 in the month under review compared with 106.9 in September.

The depreciation of the Canadian dollar due mainly to the suspension of the gold standard in Great Britain is proving beneficial to many industries in Canada. The exchange situation favors the industries exporting largely to the U. S. and to other countries maintaining the gold standard, while the exporter in such countries is placed at a disadvantage in the Canadian market.

Commodities Advance

Another constructive factor has been the pronounced advance in speculative commodities. While the marked appreciation in wheat and silver was the most spectacular, the rise in grains and non-ferrous metals was fairly general. The official index of wholesale prices at 70.4 showed a gain of 0.4 points in October over the level of the preceding month, the first gain since August, 1929. While the gains were recorded chiefly in speculative commodities where reaction has occurred from the maximum quotations, the advance has supplied tangible evidence that economic principles are still operating.

During a period of declining prices such as in the last thirty months, there is continual discouragement for the making of commitments and business operations may only be carried on at profit under specially favorable circumstances. The change in the outlook regarding prices is a most important development contributing toward the restoration of business confidence.

Operations in October for the most part showed very little change from the preceding month. In the mining field, gold was shipped in greater volume, receipts at the Mint and exports amounting to 268,000 ounces compared with 240,000 ounces in the preceding month. Exports of copper rose to 12,333,000 pounds compared with 4,608,000 in September and zinc was shipped in greater volume. Exports of nickel were at a new low point for the present year.

After adjustment for seasonal tendencies the exports of lumber were less than in any preceding month of this year. The gain in the output of newsprint was seasonal, the production being 184,252 tons compared with 178,412 in September.

The primary iron and steel industry operated at a low rate of capacity. Only one blast furnace was operating during October and the output of pig iron was consequently less than in the preceding month. The output of steel ingots and castings also showed a decline. The automobile industry showed a recession greater than normal for the season.

The industries engaged in the production of goods for direct consumption such as food and clothing have fared better in recent months than the equipment industries. For example, comparison with the first nine months of 1930 show a gain in the output of sugar and boots and shoes, while the imports of raw cotton were in greater volume.

The gain in carloadings in October was of a seasonal nature only, the freight movement being 265,000 cars compared with 226,500 cars in September. The movement of grain through country elevators of the Prairie Provinces has been heavy in recent weeks and comparison with corresponding weeks in 1930 will doubtless prove more favorable from now to the end of the present year. The reopening of the railway shops by the Canadian Pacific Railway indicates that the situation is brighter from the viewpoint of the larger systems.

RETAIL PRICES OFF; FOODS BIG FACTOR

Wheat Assists in Keeping Wholesale Prices Firm

The Dominion Bureau of Statistics index number of retail prices, rents, and costs of services, declined from 88.0 in September to 87.4 in October, due principally to lower quotations in the food group.

For the 46 food items, the index dropped from 73.5 to 71.4, lower prices obtaining for a wide range of commodities which included meats, butter, flour, potatoes, tea and coffee. Eggs, raisins, and corn syrup were the only items to register advances.

Customary advances in fall quotations for coal and coke carried the fuel and lighting index up from 94.1 to 94.5 for October.

Index of wholesale prices for October showed the first increase since August, 1929, in advancing from 70 to 70.4. While the greatest strengthening influence was provided by the considerable advance in grain prices, there was nevertheless a firmer tendency apparent in the majority of commodity groups.

Vegetable products rose from 54.6 to 56.0, higher quotations for barley, oats, rye and wheat influencing the index more than declines for corn, flour and potatoes.

Iron and its products rose from 86.8 to 87.3, higher prices obtaining for steel tank plates, automobile body plates, and annealed steel sheets.

ADVERSE BALANCE OF CANADA TRADE STEADILY LOWER

Was $103,000,000 at First of Year—Now Stands at $36,000,000

October was the fifth consecutive month to register a favorable trade balance on merchandise accounts, a situation revealing that, as far as merchandising trade is concerned, Canada is now paying its way, contrasting with the corresponding months of the previous two years which showed balances unfavorable to this country.

Since the reversal in the position may be ascribed to the existing exchange situation, whereby exports are encouraged and imports from countries where the Canadian dollar is at a discount are discouraged, a continuation of this satisfactory condition may be expected until the exchanges adjust themselves, unless other economic or political factors come into play. Indeed, as the months from October to December normally show a favorable balance, a still further widening of the margin between exports and imports is presaged. This has already been indicated by the jump from the September figure of $4,529,687 to that of $9,597,043 for October in Canada's favorable balance, though the increase for the month is but half that recorded last year when a minus $6,000,000 was turned into a plus $6,000,000.

For 1930 the adverse balance of "visible" trade was $103,000,000. In the first ten months of the present year this has been reduced to $36,000,000.

Following table shows trade balances by months for 1930 and the present year to date, minus signs denoting unfavorable balances:

Monthly Balance of Trade

	1931 $	1930 $
January	—4,779,870	— 9,293,688
February	—6,080,105	— 12,772,412
March	—19,085,344	— 21,333,135
April	—16,515,265	— 18,893,670
May	—12,612,417	— 22,081,108
June	2,811,311	— 11,007,782
July	2,261,343	— 6,645,311
August	2,586,284	— 7,293,528
September	4,529,687	— 5,709,927
October	9,597,043	5,939,581
10 months end. Oct. 31	—36,287,333	—109,090,930

Minus sign denotes unfavorable balance.

A "visible" trade, represented by merchandise accounts, forms about 60 per cent of Canada's total international trade, the remaining 40 per cent consisting of "invisible" items on both sides of the balance sheet, among the most important of which are tourist expenditures, imports and exports of capital, interest payments and receipts, freight charges, and the movement of gold and other specie.

Gross tourist revenue last year amounted to about $279,000,000 and the net—after deducting the expenditure of Canadians abroad—$166,000,000. The net revenue for 1931, judging from preliminary reports, would appear to be in the neighborhood of $140,000,000.

This was recently outlined by the Canadian Bank of Commerce in its monthly review, as follows:

"Against this must be placed the debit items of net freight charges paid by Canadians which we may assume, on a conservative basis, to be almost as high this year as in 1930, about 30 millions, and the servicing of Canadian stocks and bonds held abroad over and above the interest received on Canadian investments abroad, the net amount of which was 184 millions in 1930 and might be about 190 millions for 1931, if all dividend requirements were met, the higher figure being due not altogether to this year's borrowings, but to the new flotations in the latter part of 1930, on which interest has had to be paid this year for the first time. Lastly, net exports of coin and bullion during the first nine months of 1931 have increased the credit items by 45 millions, as against a debit entry of about 14 millions for the whole of 1930.

"It is impossible to forecast at this date the balance of Canada's international payments for the current year, but if the foregoing estimates are within any reasonable degree of accuracy, it is obvious that Canada's external trade position is better today than it was a year ago. In 1930 the apparent excess of all imports over exports amounted to 160 millions, of which a considerable part would be balanced by the importation of capital. If from the estimated debit charges for freight, interest and excess merchandise imports are deducted the estimated net tourist receipts and the net exports of coin and bullion for 1931, it will be seen that if Canada had this year to meet all dividend and interest requirements she would have an apparent adverse balance of 70 millions, or much less than half the figure for 1930, and an amount which it would seem not difficult to balance by either external or internal loans, the proceeds of the latter to be exported. The majority of external payments for 1931 have, of course, already been made, and taking into account interest on corporation and government bonds payable at the holder's option either in Canadian or foreign funds, and assuming that the option to receive payment in United States funds will in most cases be exercised, it is estimated that between 20 and 25 million dollars will have to be provided for in New York during November and December. This amount can, at least theoretically, be met from the now existing favorable merchandise trade balance."

Business Briefs

Carloadings for week ending November 7 were only fractionally lower than the previous week at 61,171 cars; grain and pulp and paper shipments only showed small gains. Total for year to date is 19.58 per cent below last year, lumber and all forest products, 33 per cent down, sustaining largest declines. Grain shipments 5.8 per cent lower.

Merchandise l.c.l. freight index, as compiled by Jones Heward and Co., stood at 77.71 for week ending November 7, as against 78.21 for the previous week and 76.92 for the month of October. This index number represents the percentage of the adjusted long-term normal for this week, corrected for the seasonal factor.

Wheat stocks at November 6 amounted to 171,695,120 bus., compared with 164,134,449 bus. the week before and 187,448,679 bus. for the corresponding week of 1930. Shipments from Canadian seaboard ports totalled 6,129,814 bus., as against 3,753,221 bus. in the previous week.

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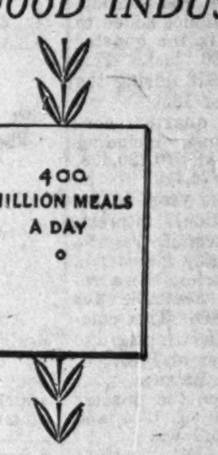

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Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1931	Weekly Latest 1930	Cumulative Jan. 1 to date 1931	Cumulative Jan. 1 to date 1930
C. P. R. Gross Earn. (Nov. 7)	$ 3,468,000	$ 3,565,000	$ 123,911,000	$ 156,819,000
C. N. R. Gross Earn. (Nov. 7)	$ 3,710,130	$ 4,205,693	$ 153,281,711	$ 194,078,804
Car Loadings (Nov. 7)	35,230	38,774	2,240,345	2,785,886
Common Stock Index (Nov. 12)	71.5	112.0	......	......
Production—	Monthly			
Pig Iron, tons, (Sept.)	17,585	49,395	380,322	622,716
Steel, tons, (Sept.)	33,390	55,808	592,855	818,471
Newsprint, tons (Oct.)	184,252	218,817	1,854,469	2,116,014
Automobiles (Sept.)	2,646	7,957	77,495	138,622
Boots and Shoes, pr. (Sept.)	1,672,437	1,615,859	13,735,242	13,346,000
Flour, bbls. (Sept.)	1,515,613	1,624,238	10,816,681	11,816,370
Mineral Production—				
Gold, oz. (August)	225,600	169,620	1,722,600	1,316,119
Silver, oz. (August)	1,024,000	2,036,000	14,865,000	17,258,695
Nickel, tons (August)	4,433	4,544	27,433	36,789
Copper, tons (August)	13,579	13,089	105,055	104,934
Lead, tons (August)	10,574	12,770	97,571	112,329
Zinc, tons (August)	9,599	13,118	86,856	84,772
Coal, tons (August)	706,000	1,101,000	7,388,000	9,324,234
Nat. gas, M. cu ft. (Aug.)	1,299,000	1,492,000	17,730,000	18,724,913
Petroleum, bbls. (August)	103,300	136,060	1,176,800	898,806
Automobile Financing—				
Used Cars (Sept.)	$ 1,345,535	$ 2,517,052	$ 17,533,636	$ 27,301,621
New Cars (Sept.)	$ 1,225,949	$ 1,754,700	$ 17,727,477	$ 25,892,252
Construction—				
Building Permits (Sept.)	$ 10,322,414	$ 11,093,020	$ 86,898,267	$ 126,361,350
Contracts (October)	$ 28,789,200	$ 33,332,100	$ 279,582,500	$ 393,146,800
Labor—				
Employment Index (Oct.)	103.9	116.2	......	......
Trade—				
Imports (Oct.)	$ 45,940,874	$ 78,358,351	$ 540,932,769	$ 872,029,781
Exports (Oct.)	$ 55,537,914	$ 82,781,428	$ 494,688,492	$ 746,025,827
Imports of Key Products—				
Rubber, raw, lbs. (Sept.)	3,438,000	3,534,000	44,818,888	52,359,337
Cotton, lbs. (Sept.)	4,999,000	5,524,000	60,334,000	59,638,000
Sugar, raw, lbs. (Sept.)	71,618,900	103,078,100	611,626,900	639,568,600
Petroleum, crude, gal. (Sept.)	96,530,000	105,470,000	765,068,344	772,684,202
Coal, tons (Sept.)	1,484,059	2,046,866	9,583,549	12,859,433
Exports of Key Products—				
Newsprint, tons (Sept.)	161,171	194,820	1,504,225	1,731,591
Automobiles, No. (Sept.)	787	4,662	13,[illegible]44	36,052
Wheat, bus. (Oct.)	18,925,303	29,784,275	145,056,675	154,313,050
Wheat flour, bbls. (Oct.)	558,459	813,691	4,769,427	8,536,389
Electric Power—Output—				
M. Kilowatt hours (Sept.)	1,288,113	1,442,961	12,107,611	13,230,[illegible]58
Population—				
Emigration (September)	1,142	4,702	9,832	36,158
Immigration (June)	3,169	13,175	15,510	54,385
Finance—				
Failures, No. (August)	155	159	1,416	1,533
Failures, Liabilities (Aug.)	$ 2,350,994	$ 5,518,164	$ 27,715,048	$ 34,466,967
Bank Debits (Sept.)	$2,450,545,080	$2,967,181,800	$23,519,654	$27,887,943,003
Bond Sales (Oct.)	$ 436,000	$ 153,879,227	$1,025,113,750	$ 651,921,999
Wholesale Prices (1926) = 100—				
General Index (October)	70.4	82.5	......	......
Iron & its products (Sept.)	86.8	90.4	......	......
Cotton, raw	37.2	62.7	......	......
Grains	35.8	54.6	......	......
Livestock	71.1	93.4	......	......

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THE FINANCIAL POST SURVEY OF MINES 1931

EDITORIAL INDEX

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This is the sixth year in succession The Financial Post has brought out its Survey of Mines.

Each preceding volume has been an accepted success. The average paid circulation over this number of years has been 7,165.

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INTER. P. AND P. CURRENT PROFIT ON LOWER SCALE

Surplus for Third Quarter Less Than Year Ago

From Our Own Correspondent

MONTREAL.—International Paper and Power Co. and subsidiary units report a balance added to surplus of $264,296 in the quarter ended September 30 last. This compares with $974,873 during the same three months of 1930.

During the past quarter, consolidated net revenue, including other income, totalled $10,720,408, compared with $9,724,119 in the third quarter of last year. After deducting depreciation, interest, amortization of discount, reserve for taxes, and minority interest in earnings of subsidiaries, there remained a balance available for dividends of $2,822,866. This compared with $3,144,758 during the corresponding quarter of 1930.

Show Smaller Balance

Income account for the quarter ended September 30 of 1931 and 1930, respectively, follows:

Quar. Ended. Sept. 30:	1931 $	1930 $
Net revenue	10,720,409	9,724,119
Less: Depreciation	2,054,545	1,837,229
Int. & disc. funded debt, taxes & min. int. in subs.	5,842,997	4,742,132
Bal. for divds.	2,822,867	3,144,758
Divs. on stks. of subs.	2,558,570	2,169,884
Bal. I. P. & P. Co. dividends	264,297	974,874
Divds. on I. P. & P. Co. stock: Pref: stock	......	1,625,879
Class A	......	......
Total divds.	......	1,625,879
Surplus forward	12,950,644	11,894,727
Carried forward	13,214,941	11,243,722

Net Revenue Greater

For the first nine months net revenue was $31,203,867 against $30,471,610 for the same period last year, and balance added to surplus was $1,871,294, compared with $2,245,985 in the corresponding period of 1930.

Income account for the nine months ended September 30 of 1931 and 1930 follow:

9 Mos. end. Sept. 30:	1931 $	1930 $
Net revenue	31,203,867	30,471,610
Less: Depreciation	5,783,491	6,830,456
Int. & disc. funded debt, taxes & min. int. in subs.	16,700,934	15,051,952
Bal. avail. for divds.	8,719,442	8,589,202
Divs. on stks. of subs.	6,848,148	6,343,216
Bal. I. P. & P. Co. dividends	1,871,294	2,245,985
Divds. on I. P. & P. Co. stock: Pref. stock	1,632,565	4,874,248
Class A	......	1,197,347
Total divds.	1,632,565	6,071,594
Bal. forward	12,976,212	15,069,332
Carried forward	13,214,941	11,243,722

Prospects Are Better

Operations of International Paper and Power Co. this year to date, excluding New England Power Association (whose earnings have declined due to the business depression and to the burden of carrying charges on newly provided facilities not yet fully used) have shown about the same earnings as last year, notwithstanding very heavy declines both in volume and prices. This showing has been made possible by the reduction in costs resulting from improved efficiency and economies. Stabilization of prices and improvement in business are expected to bring about increased earnings in both the power and industrial divisions of the business.

Present indications are that earnings for the last quarter will cover the quarterly accrual on the dividends. This, however, is due in part to the upward seasonal swing that normally takes place in the fourth quarter.

Under present business conditions, the management feels that it is not advisable to consider the resumption of dividends on the preferred stock in the immediate future.

Sun Lamp Now Made in Canada For First Time

Canadian General Electric Company has begun the manufacture of sun-lamps at one of its Toronto plants, according to A. S. Edgar, manager of the company's general merchandising department. The making of these lamps, previously imported from the United States, will give employment to a large number of Canadians.

The sun-lamp is the result of years of patient experimenting on the part of scientists in an effort to produce with safety by artificial means the health-sustaining ultra-violet rays which are present in summer sunlight. These ultra-violet rays are obstructed by ordinary window glass, and also by clouds and by the smoke which pervades a great deal of city atmosphere. General Electric scientists have brought the sun-lamp to such a state of perfection that it can be used freely to bring the benefits of summer sunshine to Canadians during the winter months. It is also used the year round by many who are confined indoors.

International Pete. October Output Down

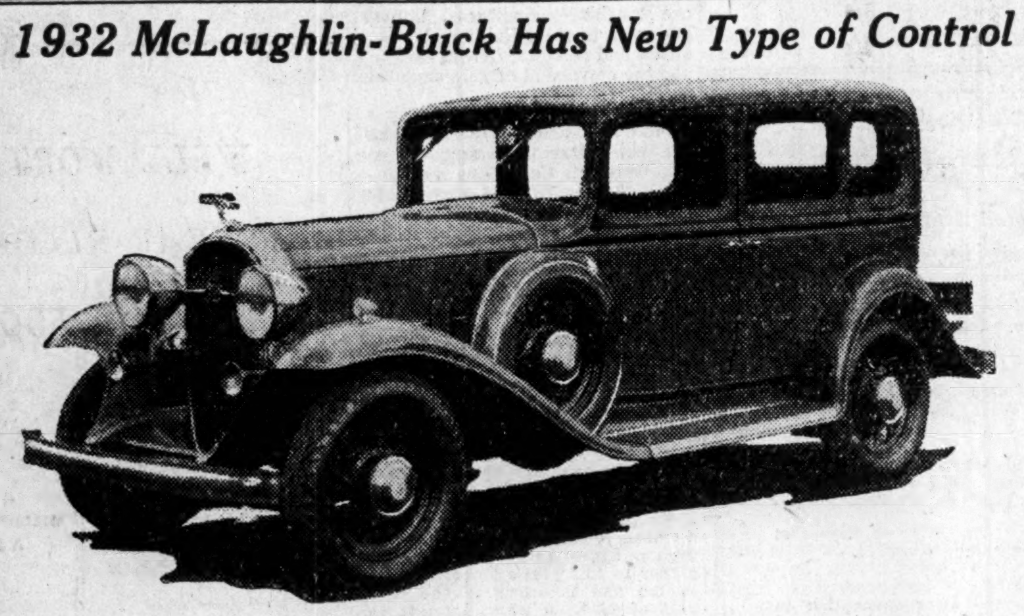
Average daily production of crude by International Petroleum dropped during October in both the Peruvian and Colombia fields from the average of the previous month. In Peru the average daily output was 17,920 bbls. as compared with 19,573 bbls. daily in September and production was the lowest of any month in 1931 with the exception of February when there was a partial shut-down. In Colombia daily production of 46,948 bbls. was the lowest of any month this year.

September production figures, just made available shows both Colombian and Peruvian production for the month well below the production for the corresponding month in 1930. For the nine months ended September 30, 1931, output in Peru amounted to only 76 per cent of production in the same period of 1930, while Colombian production was some 91 per cent of that during the first three quarters of 1930.

September	1931	1930
Peru:		
No. of wells completed	4	13
Av. initial prod., bbls.	*..	979
Total crude prod., bbls.	587,177	751,123
Colombia:		
No. of wells completed	2	9
Av. initial prod., bbls.	†670	774
Total crude prod., bbls.	1,414,958	1,638,926
Nine Mos. Ended Sept. 30:		
Peru:		
No. of wells completed	38	95
Av. initial prod., bbls.	261	503
Total crude prod., bbls.	5,730,595	7,507,085
Colombia:		
No. of wells completed	36	91
Av. initial prod., bbls.	655	657
Total crude prod., bbls.	13,798,067	15,231,476

*None yet tested.
†Only one tested.

1932 McLaughlin-Buick Has New Type of Control



Above is one of the 34 newly-designed models offered for 1932 by McLaughlin-Buick. All embody the new "wizard control," which combines an automatic clutch release giving a new type of free-wheeling and a new silent-second synchro-mesh transmission. Among numerous other refinements are adjustable shock absorbers, driver-controlled, by which the riding qualities may be regulated to suit varying road conditions.

The particular model illustrated above is the special five-passenger sedan of the "sixty" series with new style Fisher body.

AMUSEMENT CORP. SHARE EARNINGS COVER DIVIDENDS

Reports $2.76 a Share Against $4 Last Year

From Our Own Correspondent

MONTREAL.—Operating profit of United Amusement Corp. in the fiscal year ended August 31, 1931, was $355,239 compared with $429,-786 in the previous year. Property revenue was slightly higher but the gain was offset by a decline in other income and net earnings of $417,727 were down $100,000 from the previous year.

After depreciation, bond interest and discount, there remained a net profit of $205,855. This was equal to $2.76 a share on 74,367 common shares outstanding at the end of the year, compared with $4 a share earned on 74,137 shares in the preceding period. Dividends are paid at the annual rate of $2 a share.

Profit and Loss Figures

Following are comparative figures of profit and loss for the past two years ended August 31:

	1931 $	1930 $
Operating profit	355,239	429,786
Add: Property rev.	58,599	43,074
Other income	94,109	132,874
Less: Expenses	90,220	88,447
Net earnings	417,727	517,287
Less: Depreciation	110,649	113,776
Interest	93,423	99,259
Bond disc.	7,800	7,800
Net profit	205,855	296,452
Less: Dividends	148,594	147,758
Income tax	21,499	35,322
Surplus for year	35,762	113,372
Add: Prev. surplus	724,200	610,828
Balance fwd.	759,962	724,200

United Amusement Corp. owns or leases twenty motion picture theatres of which seventeen are located in Montreal. During the year the company secured an interest in the Theatre Francais in Montreal. Directors point out that this theatre will now be under the company's management and is expected to increase its revenues both directly and indirectly.

The balance sheet shows few noteworthy changes and the company has maintained its policy of writing down equipment valuations and increasing its reserves. Fixed assets at $3,081,563 compare with $3,111,123 at the end of August, 1930. Of this amount land and building comprise $2,649,183, an increase of $6,000; while general equipment, leasehold theatres and leased equipment have all been reduced.

Investments in other enterprises are higher by $2,000 at $424,229; the major portion of this sum is a mortgage of $267,000, an increase of $17,000 over the previous year. Deposits with the trustee have been reduced by $21,000 to $47,838.

Increases Working Capital

Working capital has been increased from $25,841 to $150,677. Current assets at the end of the fiscal year amounted to $308,553 and current liabilities were $157,-876. The chief changes in current assets are a sharp reduction in Dominion of Canada bonds from $73,819 to $16,908, an increase of $27,000 in company's own bonds which total $85,127 and a gain of $72,000 in cash which amounts to $177,131. Deferred charges are lower by $10,000 at $136,564 and goodwill and franchise is unchanged at $1,372,290.

In liabilities, the reserve for franchise has been increased by $25,000 and now stands at $175,-000. Depreciation reserve totals $166,926, an increase of $37,000 while general reserve at $33,799 is higher by about $4,000. Unrealized increment in assets at $786,168 is lower by some $23,000.

Redeems Block of Bonds

During the year $47,700 of 6 per cent first mortgage bonds were redeemed, leaving $1,407,300 outstanding. Mortgages on land and buildings have been reduced to $120,833 from $151,250. In the fiscal period there were issued 230 additional class "A" shares, bringing the total up to 66,246, while class "B" shares at 8,121 are unchanged. Surplus stands at $759,960, an increase of $35,000.

Loblaw Groceterias Shows Improved Trend

Sales made by Loblaw Groceterias Co. in the four weeks ended October 17 are reported at $1,151,489 as compared with $1,291,086 in the corresponding period of 1930; profit at $74,-757 compared with $77.454 the previous year. Increase in both sales and profit in the October period of 1931 from the period immediately preceding was greater than that shown in 1930. Opening of a new store early in October may have had some effect on this increase. Opening of additional stores is planned and this may be expected to increase sales still further.

During the 20 weeks ended October 17 sales at $5,523,582 compared with sales of $6,396,990 in the same period of 1930, while profit of $331,662 was 6 per cent lower than the $354,183 shown in 1930. These figures are not affected in any degree by the opening of new stores and are generally regarded as indicating a fairly true picture of trend in the chain grocery field. Physical volume of merchandise handled is understood to have shown an increase.

Eastern Dairies Open New Plant

From Our Own Correspondent

MONTREAL. — Eastern Dairies Ltd. officially opened this week its new Hamilton plant. This unit is modern in every respect and will handle a complete line of dairy products. It will relieve the company's Toronto units of their present programme of supplying Hamilton and district.

With the addition of Hamilton, Eastern Dairies now has plant representation in Montreal, Verdun, Ottawa, Toronto, Winnipeg and Hull. These plants have been consolidated under four subsidiaries, Elmhurst Dairy, of Montreal; Producers Dairy, of Ottawa; Crescent Creameries, of Winnipeg, and Acme Farmers Dairy, of Toronto.

WHEAT MARKET REFLECTS MANY UNCERTAINTIES

Canadian Market Follows Chicago With Our Prices Favorable

From Our Own Correspondent

WINNIPEG.—An unusual number of uncertainties are playing a part in the wheat market at the moment, resulting in a conflicting play of forces.

Both the Australian and the Argentine crops are approaching harvest, and definite opinions as to the outcome are still lacking. Frost damage, some of it severe, in the Argentine has been confirmed, but its extent is doubtful. Australia still claims something more than an average yield from her reduced acreage this year, but latest estimates tend to be lower than those of a few weeks ago. In the United States apprehension about the winter wheat crop is increasing. The Russian situation is puzzling, for while Russian shipments have dropped off sharply considerable quantities are still coming out.

Russian Situation

Circulation of reports as to Russia's inability to meet foreign payments shortly to come due gave rise to the idea that efforts to collect wheat for export might be redoubled in order to make up exchange deficiencies, while at the same time the Manchurian situation suggested the possibility of military requirements for wheat added to domestic needs. Alternately, too, developments there suggested possibility of either greatly increased or greatly decreased Oriental demands for wheat this year, while Australia's continued heavy shipments to the Orient appear to be received with some surprise.

In the United States elation at the improving aspect of the wheat situation was suddenly tempered by realization that the actual carry-over in that country might well be greater at the end of this crop year than ever before, a fact statistically evident for a long time, since the bulk of the world carry-over is likely to be concentrated there.

The technical market situation also presents difficulties, with agencies representing the governments of the United States and of Canada quite the largest factors in holding wheat supplies, and yet destined inevitably to withdraw, although not until after many months, as the burden of their holdings can be shifted to other shoulders. The Canadian market continues to an unusual extent, to follow, and not to lead Chicago, and Liverpool influences tend to be reflected in Winnipeg through the Southern market, rather than directly, and there is greater actual strength there than here.

Allowing for the exchange differential our wheat is cheaper than that of the United States, especially in the futures, and the peak of the rise before last week's drop put that market more out of line with export markets than was the case in Winnipeg. General trade opinion is in the direction of a gradually improving market, and accepts the recovery at the beginning of this week as natural, believing that the reaction from previous highs had been unnecessarily severe. But any very rapid rise would be construed as dangerous, since correction of the wheat situation has still a long way to go. Strong prices for coarse grains, coupled with some export demand for rye, constitute a strong argument for an increased wheat demand from Europe, because of scarcity of substitutes. But the very low prices now prevailing for hogs, not only in this but in other countries, might bring about diminution in the demand for feed grains.

WILL CONSIDER WILLARD'S SALE TO BLUE RIBBON

Preferred Dividend is Guaranteed for Five-year Period

Preferred and common shareholders of Willard's Chocolates, Ltd. will meet on December 18 to consider changes in provisions of the preferred stock which will permit common shareholders to take such action as will make possible sale of control of the company to Blue Ribbon Corp. Preferred shareholders, now in arrears of dividends since December 1, 1930, are asked to agree to reduction of the dividend rate from 8 per cent to 6½ per cent and that arrears of dividends and sinking fund be cancelled. If this is done Blue Ribbon Corp. will guarantee preferred dividends at 6½ per cent per year from December 1, 1931, to March 1, 1935.

The purchasing company has made an offer to acquire all of the common shares of Willard's Chocolates at $15 per share payable April, 1935, but the offer is conditional upon change in the preferred stock provision and the reduction of a mortgage on property now on lease with option to purchase by Silverwood's Toronto Dairy Ltd. This option is good until March 1, 1935, when sale of the property should be effected at a price of $265,000. This price would reduce substantially the mortgage which now amounts to $421,203.

Has Loss For 1931

The letter which has been sent to shareholders sets out the position of the Willard company as at September 30, 1931. Statement of operations in the current year is as follows:

"In spite of substantial reductions in operating charges during the first nine months of 1931, operations of the company during that period have shown a loss due to reduced volume of sales, though our decrease has, we believe, been less than the average shrinkage in the confectionery business. Our bank loan on September 30 stood at $235,000, of which approximately $50,000 represented capital expenditures for plant improvements this year. The mortgage of $421,203 on our property is due early in 1935 and should be reduced at that time to $58,709. The sum of $257,494 shown in our assets as the amount due our company from Silverwood's Toronto Dairy Ltd. for the sale of our Dupont Street plant to them, and the annual rental of $20,000 from them in the meantime as well as the regular sinking fund of $15,000 per annum (half-yearly installments) are the items effecting this result.

"Analysis of our situation, however, indicates that until our sales volume can be increased there is little hope of operating at any substantial profit unless further curtailment of warehouse and sales expense can be made, and this, in view of the economies already effected, does not seem to be practicable. While recent world events point to the return of better times, improvement must necessarily be very gradual. Meantime, our large floating debt presents a real problem and obviously renders payment of preferred dividends impossible for an indefinite period."

Bank Loan Higher

The balance sheet at September 30, 1931, shows Willard's Chocolates Ltd. with current assets of $501,987 and current liabilities of $333,832, a ratio of 1.5 to 1 as compared with 2.21 to 1 at December 31, 1930. Receivables have been reduced while inventories are up to $310,014 from $226,740. Bank loan is up to $235,000 from $125,820 while accounts payable are up $98,832 from $60,824. Plant is carried at $1,215,107 which is subject to reserve for depreciation of $344,628. Balance payable on the sale of the Dupont St. plant to Silverwood's which is due March 1, 1935, is carried as an asset at $257,494. Among liabilities is the balance of $421,203 of a mortgage payable on the last-named property.

Reserves appear among liabilities at $63,290. There remains 4,472 shares of $100 par value preferred stock outstanding of an original issue of 6,000 shares. There are 15,001 shares of no par value common stock outstanding which are carried at $375.025. Surplus at September 30, 1931, is shown at $6,567 as compared with $40,736 shown at the end of 1930.

United Farmers Co-op. Status May Be Changed

Shareholders of United Farmers Cooperative Co. will consider a proposal made by directors of the company to continue operations on a purely cooperative basis at a special meeting to be held following the annual meeting on December 1, in Toronto.

During the year ended September 30, 1931, the company had a trading profit of $33,521 as compared with $49,515 in 1930. The company, however, had liquidation loss of $126,307 in connection with the Ontario Grain Pool unit which was sponsored in 1927 under a five-year grower contract. but which was discontinued in the spring of 1931. This total loss is stated to be an accumulation of overpayments to members during the four years and resulted from operations in handling the 1929 and 1930 crops on a constantly falling market. This loss caused the company a deficit of $92,-785 on the year's operations as compared with profit of $13,012 in 1930. No dividend was declared.

McLAUGHLIN-BUICK HAS NEW FEATURES

1932 Models Incorporate "Wizard" and "Ride" Control—34 Models

Several new departures are incorporated in the 1932 McLaughlin-Buicks details of which were recently released. The new models are now in production at the company's plant at Oshawa.

One feature is an entirely new automatic clutch-release device known as "wizard control," by which the clutch becomes disengaged whenever the pressure on the accelerator pedal is released. With renewed pressure, the clutch is again engaged, and consequently use of the clutch pedal is eliminated either for changing gear or in bringing the car to a standstill besides giving a new type of free-wheeling. The operation of this device, however, is optional and is controlled by the driver by means of a button beneath the left foot; as soon as this is released the car may be driven in the conventional manner.

Another notable feature on the new McLaughlins is the "ride regulator," consisting of driver-adjustable shock absorbers, control being by a lever on the steering column.

Other Features and Prices

Other features of these models comprise synchro-mesh transmission, a new type instrument board, a cool-air duct for hot-weather driving, improved carburetor, fuel system and oil temperature regulation, and vacuum-pump windshield wiper. The Fisher bodies on all of the four new series, which comprise 34 models, are of revised design.

Toronto prices of the "8-50" series range from $1,425 for the standard business coupé to $1,755 for the special all-weather phaeton, the standard sedan being priced at $1,505. In the "8-60" series, prices run from $1,840 up to $2,255, standard sedan being $1,925; the "8-80" series standard coupé is offered at $2,285 and the standard sedan at $2,335; and the "8-90" series range from $2,640 to $3,060, the standard sedan in this series being priced at $2,875.

At dealer conventions held last week across Canada to announce the new models, talking films were used for the first time in introducing new cars and sales plans to dealers across Canada. The McLaughlin-Buick men heard R. S. McLaughlin, president of General Motors of Canada; William C. Herring, general sales manager, F. A. Bowers, chief engineer and others.

BORDEN THINKS TURN HAS COME

President Barclay's Bank Says Boom Now Might be Disastrous

At the fourth annual general meeting of Barclay's Bank (Canada), held in Montreal on November 17, the president, Rt. Hon. Sir Robert Borden, referred to the profound influence upon the financial situation of the Dominion of the two momentous events of recent months, namely the German war debt moratorium and Great Britain's suspension of the gold standard.

While having no direct relation to Canada, the results indicated the essential unity of the world's financial structure, he said. The depression had served to demonstrate Canada's inherent financial soundness.

The serious efforts which are soon to be made for the development of trade within the Empire, continued Sir Robert, gave reason to hope that within the British Commonwealth there may arise an improved economic relationship and a larger measure of co-operation.

"Boom" Danger Present

In regard to the immediate outlook Sir Robert said:

"Recent indications have given rise to a feeling that the long-promised turn for the better which has been so often prophesied may have arrived or may be near at hand. It would be unfortunate if such feeling should be used for the purpose of creating a "boom" which might have a disastrous reaction. The welcome signs that commodity markets are improving are all to the good; but fluctuations must be inevitable, and, upon the most optimistic view, any sustained recovery will probably be of a gradual and protracted character."

All the directors were re-elected and, at a subsequent meeting of the board, Sir Robert Borden was elected president. and Arthur B. Purvis, vice-president for the ensuing year.

Canada Northern Power Output Ahead This Year

From Our Own Correspondent

MONTREAL. — Canada Northern Power Corp. reports an output in August last of 35,632,200 k.w.h. compared to 30,855,520 k.w.h. for the corresponding period last year.

For the year ended August 31, 1931, the system had an output of 402,588,-760 k.w.h. This compares with 355,-319,970 k.w.h. in the preceding twelve months.

Canadian Vickers Build Three Boilers

From Our Own Correspondent

MONTREAL. — Canadian Vickers has completed an order from the British-American Oil Co. for three Kidwell boilers, to be used in the new B. A. refinery at Montreal. These boilers have a rating of 406 B. H. B. and are operated at 180 lbs. pressure, though capacity is around 200 lbs.

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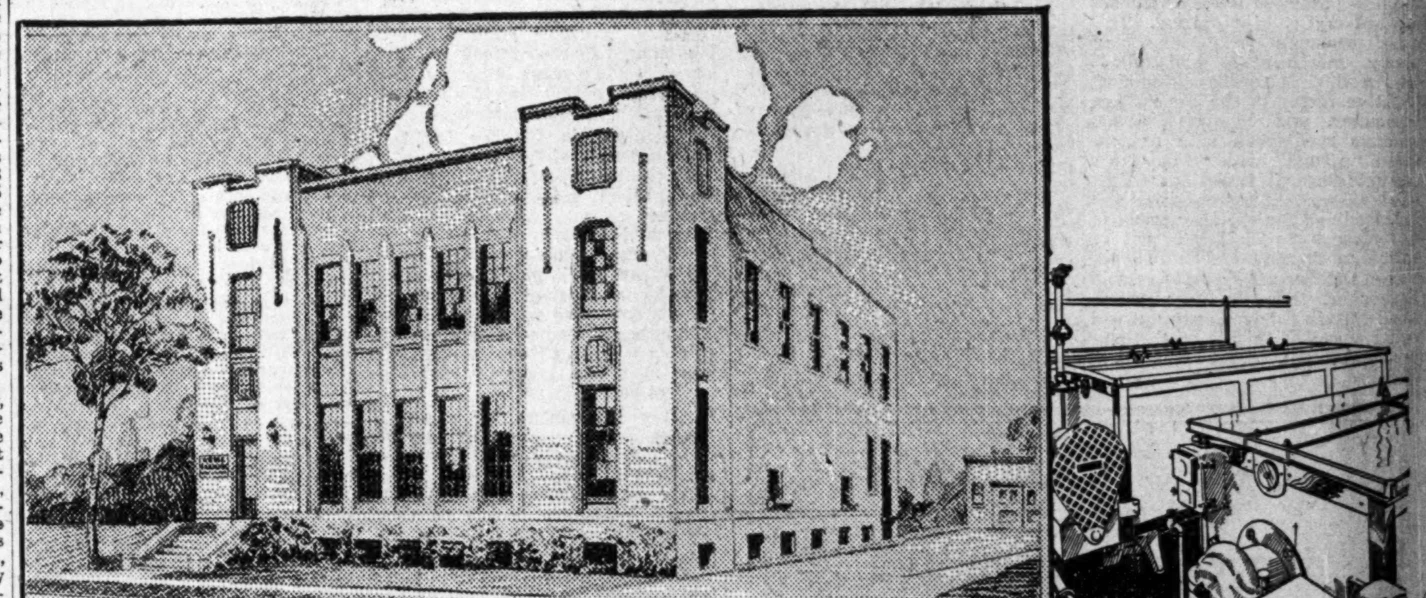

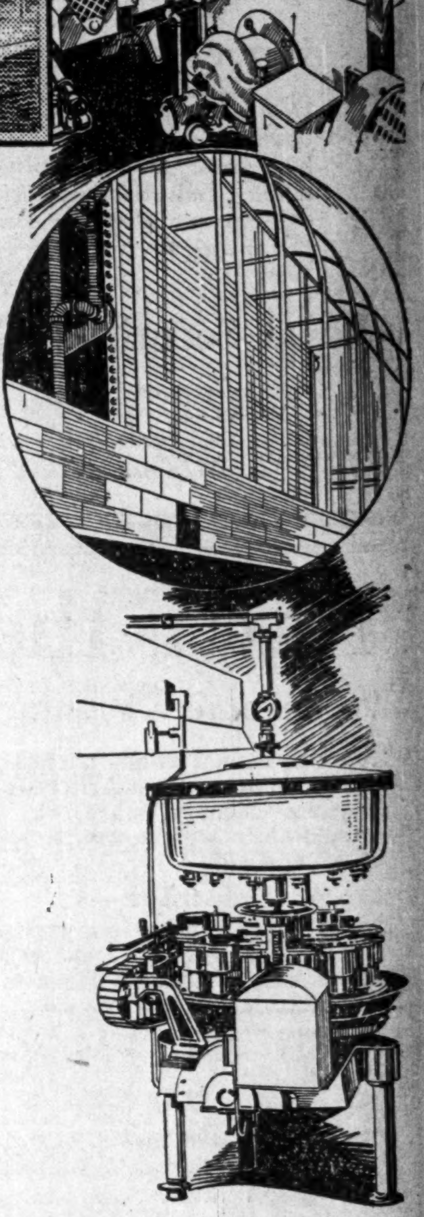

ANNOUNCING

A NEW LINK IN OUR CHAIN OF SERVICE

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This dairy, modern in every respect and one of the finest in Ontario, will provide the city of Hamilton with a dairy service unexcelled by that of any other city in the Dominion.

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HIGHER TAXES OTTAWA'S PLAN TO PAY DEFICIT

Government Sees Need For $80,000,000 to Balance Budget

CUSTOMS DUES FAIL

No Longer Chief Source of Revenue—Income Tax Likely to Be Given Big Boost

From Our Own Correspondent

OTTAWA. — Drastic revision of the Federal taxation structure is believed now to be inevitable, and it is becoming increasingly evident at the capital that this will be carried out as a means of balancing the national budget at the next session of Parliament.

Prime Minister Bennett, at the last session, attempted a revision of the taxation structure, but owing to press of work and the necessity of bringing Parliament to a close, he jettisoned some of his tax changes, with the present chaotic result on the finances of the country. A full dress revision is conceded now to be imperative, if the country is to pay its way, and stop borrowing to meet current expenditures.

The form the revision will take is a matter of speculation, but Ottawa attaches great significance to the fact that Hon. E. N. Rhodes, minister of fisheries, has been appointed acting finance minister during the Prime Minister's absence. It is believed that if Mr. Rhodes handles the situation satisfactorily in the next few weeks, he will be given the post permanently, and will have charge of the taxation revision next year. His ideas on taxation are not as well known as are those of Mr. Bennett, and hence the speculation now rife around Parliament Hill.

Revenues Slide Badly

Monthly returns show that Federal revenues are going from bad to worse. In estimating his revenue as a result of the taxation increases of last June, Mr. Bennett hopelessly misjudged the situation. He believed the higher taxes would net him an additional $78,000,000 of revenue. As a matter of fact, the first seven months of the fiscal year, ended October 31, last, show a drop in revenue in comparison with the corresponding period of 1930, of $35,000,000. The customs receipts are down from $83,000,000 to $64,000,000, a drop of $18,000,000 odd. The sales tax, which was increased from 1 to 4 per cent, is up only from $24,000,000 to $30,000,000, or $6,000,000. This is a most disappointing factor in the financial outlook of the government. The excise taxes are down from $37,000,000 to $30,000,000, a loss of $7,000,000. Miscellaneous revenue is down by $200,000 and the government will take a loss of $4,000,000 on account of the holiday in reparation payments. The income tax is down from $66,000,000 to $50,000,000, despite increased activity in collections. This drop of $16,000,000 added to the others really shows a total loss of $39,000,000 but the reparation payments are not revenues, and may be omitted in any analysis of the present position.

What this means is that Mr. Bennett, instead of getting the $78,000,000 increased revenue, as he hoped, is going to get probably $50,000,000 less revenue than last year. And the major loss will occur on customs receipts.

Customs Revenues Off

The necessity of a complete revision of the taxation structure is quite obvious from these figures. It is clear that the customs tariff is rapidly ceasing to be the major source of national income. The Canada First policy is beginning to take effect. In the past few weeks a dozen or more special dump duties have been imposed. And officials of the department of national revenue state quite frankly that customs revenue will grow smaller with the passing of time. The drop in customs receipts is only in small part due to the prevailing depression. The real cause is that higher tariffs are excluding imports.

Far from being a matter of discouragement to the government, this is taken as a very favorable sign. It means that the new policy is succeeding.

May Have Turn-over Tax

Just where the government will seek the revenue now being lost in customs, remains in doubt. It is believed that the income tax will be increased next year, although there is little prospect of the treasury picking up more than ten or fifteen millions in this way. The higher sales tax has been a keen disappointment, and it may well be that the government will return to the policy of scrapping this tax in favor of a turn-over tax.

The whole field of taxation will have to be studied intensively in the next five months. It is probably true that the government has not, as yet, formulated any definite plans.

There is a tendency, however, to over-state the revenue needs of the government. Unemployment relief this year will require about $40,000,000, having regard to drouth relief, and the National railways will need another $100,000,000. But these are not permanent items, and will not require to be provided for out of revenue. By balancing the budget, the government will mean the imposition of taxes which will meet the ordinary expenses of the administration. About $80,000,000 of new revenue—having regard to a possible improvement in business conditions—would solve the problem.

There are two other ways out, one in the government's control and one not. It can cut its expenditures to match its revenues or it may gain from higher price levels and better business.

Provincial Budgets Are Severely Affected; Few Report Surpluses

1931 Conditions Have Deranged All Estimates Reports Show

QUEBEC'S SURPLUS

Record of Past Ten Years Shows Present Situation as Not Unprecedented; Will Take Measures

The necessity for a balanced budget as an important factor in the maintenance of a government's credit, or borrowing power, is universally recognized. Great Britain is possibly the most recent and notable example of direct and decisive action being taken to curtail expenditures until they are in line with receipts; the United States, faced with a huge deficit in the current year, has also taken definite action. Canada, it is agreed, must act and also each of the provinces. Within the next few months, all of the provinces may be expected to announce official plans of readjustment of expenditures to lower revenues.

The ability of the Canadian provinces to borrow in the open market has been seriously affected in recent months, due in part to general economic conditions but also in large part to the knowledge that few of the provinces will show a surplus in the current fiscal year. The status of provincial obligations has been lowered to some extent because of this condition and prices have tended to go downward. If this were not tangible enough indication of the state of affairs the action of a well-known investment service in the United States in reducing the rating of provincial bonds is sufficient to indicate the attitude of investors in the United States and foreign countries. The drop in rating, while not serious, may be a portent of future trends of investment opinion if the proper correctives are not applied.

Will Show Deficits

A majority of the provinces will report deficits for the fiscal year which ended in 1931. Alberta's deficit for the year ended March 31, 1931, has recently been stated officially at $2,306,581 as compared with a slight surplus originally provided for in the budget; a further deficit is expected for the current year. Current figures are not available for British Columbia, but recent dispatches indicate that an increase of some $5,000,000 will be necessary next year to balance the budget and a deficit of this amount may be shown in the current year. Figures are not available for Saskatchewan but a careful survey is being made to secure a proper balance between revenues and expenditures as early as possible.

Manitoba balanced revenues and expenditures in the year ended April 30, 1931, by using some $625,000 from deferred subsidy account. This method of avoiding a deficit cannot be used indefinitely and the province is facing the same problems as other provinces. Ontario closed its fiscal year on October 31 and reports indicate the largest deficit since 1925. Official estimate places the deficit at some $1,000,000 although previous reports mentioned $7,000,000. Quebec, with a long record of surpluses shows the effects of decreased revenues this year and in the fiscal year ended June 30, 1931, had a surplus of $776,775 against $4,210,231 the previous year.

Figures are not available from the Maritime Provinces.

In view of the current trend of decreased revenues and increased expenditures with resultant deficits in current account, the record of the various provinces during the past 10 years is of interest. In each case, with the exception of Quebec, deficits have been shown several times in recent years. Alberta has had five deficits since 1920 not including the deficits of $2,306,581 which has been reported for the year ended March 31, 1931. Totals of revenue and expenditure in that year have not as yet been stated.

ALBERTA

Current Revenue and Expenditure Acct.

Year ending Dec. 31:	Revenue	Expenditure	Surplus
1920	$9,005,862	$8,544,052	$ 461,810
1921	8,486,946	10,605,156	*2,118,210
1922	9,324,890	11,235,192	*1,910,302
1923	10,419,146	10,990,830	*571,684
1924	10,506,627	11,127,469	*620,841
1925	11,531,026	11,343,006	188,020
1926	11,912,128	11,894,828	17,801
1927	12,263,401	12,479,381	*215,980
March 31:			
1928‡ ...	3,886,495	3,390,752	495,743
1929	15,265,084	13,686,261	1,578,823
1930	15,829,865	15,402,885	426,981

*Deficit.
‡Three months period.

British Columbia has been comparatively free of deficits in recent years, although from 1921 to 1925 a deficit was shown in each year. Expenditures are now running at around $30,000,000.

BRITISH COLUMBIA

Current Revenue and Expenditure Acct.

Fiscal yr. ended Mar. 31:	Revenue	Expenditure	Surplus
1921	$15,219,264	$15,236,931	*$ 17,667
1922	16,987,869	17,436,487	*448,618
1923	18,758,864	†19,273,942	*515,088
1924	19,124,580	†20,515,367	*1,390,787
1925	18,823,358	†20,156,702	*1,333,344
1926	20,608,672	†19,829,522	779,150
1927	20,257,916	†19,408,881	849,035
1928	20,939,123	†20,215,655	723,468
1929	21,094,427	†22,825,520	*1,731,093
1930	25,498,409	†25,066,980	431,429

*Deficit.
†Includes sinking funds on capital account taken out of income.

Manitoba has had a balance of revenue over expenditure in each of the past eight years with the exception of 1928 and 1931. In the latter year approximately $625,000 was used from deferred subsidy account in order to balance.

MANITOBA

Current Revenue and Expenditure Acct.

Fiscal yr. ended April 30:	Revenue	Expenditure	Surplus
1921	$9,800,860	$10,401,895	*$ 601,035
1922	†7,148,140	8,494,322	*1,346,182
1923	9,771,243	10,672,312	*901,069
1924	10,603,580	10,424,528	179,052
1925	‡7,259,520	7,134,385	125,135
1926	10,870,257	10,269,868	600,389
1927	11,238,570	10,531,929	706,641
1928	10,741,076	11,243,693	*502,617
1929	12,435,110	12,433,104	2,006
1930	13,992,504	13,802,933	189,571
1931	14,705,530	14,705,530	......

†Nine months period.
‡Eight months period.
*Deficit.

Ontario's Deficit Is Near $1,000,000

Ontario will have a deficit of under $1,000,000 in the fiscal year ended October 31, 1931, according to Hon. E. A. Dunlop, provincial treasurer. This deficit will be incurred after provision for full debt retirement requirements of the Ontario Hydro-Electric Commission but not providing for debt retirement of provincial expenditures under the provincial retirement scheme. Reports that the deficit would amount to some $7,000,000 were branded as inaccurate.

Final figures are not as yet available. Revenues were under the estimates; expenditures were higher. Should the deficit be around $1,000,000 it will be the highest reported since 1925.

New Brunswick has had a number of deficits in the past 10 years, although revenues have shown a constant increase with the exception of 1925. Provincial officials will make no statement as to financial position at the present time.

NEW BRUNSWICK

Current Revenue and Expenditure Acct.

Fiscal yr. ended Oct. 31:	Revenue	Expenditure	Surplus
1921	$2,892,905	$3,432,512	*$539,607
1922	3,226,727	2,985,877	240,850
1923	3,479,733	3,648,273	*168,540
1924	3,725,286	3,835,522	*110,236
1925	3,556,330	4,112,569	*556,239
1926	4,206,853	4,078,775	128,078
1927	5,096,446	4,636,157	460,289
1928	5,290,098	5,393,784	*103,686
1929	5,991,375	6,521,575	*530,200
1930	6,513,285	7,357,020	*843,735

*Deficit.

The situation in Nova Scotia with regard to balancing the budget is similar to that of New Brunswick; deficits having been reported in eight of the past 10 years.

NOVA SCOTIA

Current Revenue and Expenditure Acct.

Fiscal yr. ended Sept. 30:	Revenue	Expenditure	Surplus
1921	$4,586,840	$4,678,146	*$91,306
1922	4,791,208	4,791,998	*790
1923	5,317,335	5,229,178	88,157
1924	5,461,383	5,579,525	*118,142
1925	4,467,484	5,969,544	*1,502,060
1926	5,744,575	6,327,043	*582,468
1927	6,517,073	6,566,143	*49,070
1928	6,933,630	7,543,078	*609,448
1929	7,390,410	7,288,486	101,924
1930	7,682,066	7,900,987	*218,921

*Deficit.

Ontario, in the year just closed, sustained the largest deficit since 1925 and a cutting of all government grants and payments is expected for 1932. The exact amount of the deficit is expected to be announced within the next few months, but it is understood to be about one million dollars. But payments under the debt repayment scheme have been deferred to bring the total down to this figure.

ONTARIO

Current Revenue and Expenditure Acct.

Fiscal yr. ended Oct. 31:	Revenue $	Expenditure $	Surplus $
1923	26,166,213	41,361,440	*15,195,227
1924	30,569,016	39,037,780	*8,468,765
1925	35,852,404	40,959,769	*5,107,365
1926	40,984,959	41,797,099	*812,140
1927	46,607,639	46,248,415	359,223
1928	48,570,217	48,341,981	228,236
1929	54,012,680	51,369,786	2,642,894
1930	57,343,291	57,989,353	*646,061

*Deficit.

Prince Edward Island has needs that are comparatively small as compared with the other provinces. There have been but three deficits in the past 10 years.

PRINCE EDWARD ISLAND

Current Revenue and Expenditure Acct.

Fiscal yr. ended Dec. 31:	Revenue	Expenditure	Surplus
1921	$ 769,719	$ 694,042	$ 75,677
1922	748,888	687,241	61,647
1923	554,303	790,046	*235,743
1924	738,431	715,882	22,549
1925	740,076	745,338	*5,262
1926	832,551	756,114	76,437
1927	836,748	870,427	*33,679
1928	1,034,782	943,548	91,234
1929	1,083,571	1,033,315	50,256
1930	1,148,749	1,133,366	15,383

*Deficit.

Quebec has had a record of surpluses in current account extending back to 1898. In the year ended June 30, 1931, the province had a surplus but this surplus was the smallest in the past 11 years. Revenues dropped by $1,954,521 from the previous year while expenditures were up by $1.478,934.

QUEBEC

Current Revenue and Expenditure Acct.

Fiscal yr. ended June 30:	Revenue	Expenditure	Surplus
1921	$15,914,521	$14,624,088	$1,290,433
1922	21,609,396	16,575,977	5,033,419
1923	21,634,641	19,930,276	1,704,365
1924	23,170,733	21,567,292	1,603,441
1925	24,896,329	23,629,390	1,266,939
1926	27,206,335	26,401,481	*804,854
1927	30,924,997	29,078,703	*1,846,294
1928	34,807,783	32,821,225	*1,986,558
1929	39,976,283	35,964,487	*4,011,796
1930	43,585,141	39,374,910	4,210,231
1931	41,630,620	40,853,844	776,775
1932† ...	38,895,287	38,736,500	158,787

†Figures for 1932 are estimated.
*Excluding a sum of $1,000,000 included in ordinary payments of the fiscal year used in reducing funded debt.

Saskatchewan showed a surplus for the four years prior to 1930. Crop conditions have not been conducive to increase in revenues, while expenditures on account of relief have been heavy.

SASKATCHEWAN

Current Revenue and Expenditure Acct.

Fiscal yr. ended April 30:	Revenue	Expenditure	Surplus
1921	$11,789,920	$12,151,665	*$361,745
1922	11,801,894	13,322,120	*1,520,226
1923	12,576,763	12,886,544	*309,781
1924	12,520,411	12,449,150	71,261
1925	12,378,755	12,498,933	*120,178
1926	13,317,398	13,212,483	104,915
1927	13,050,217	12,962,217	88,000
1928	13,564,893	13,449,632	115,261
1929	16,096,666	15,971,231	125,435
1930	16,561,528	17,079,704	*518,176

*Deficit.

COMPARATIVE STATEMENT OF SURPLUS AND DEFICIT ON CURRENT ACCOUNT FOR EACH OF THE PROVINCES

	1921 $	1922 $	1923 $	1924 $	1925 $	1926 $	1927 $	1928 $	1929 $	1930 $	
Surplus:											
Quebec	1,290,433	5,033,419	1,704,365	1,603,441	1,266,929	804,854	1,846,294	1,986,558	4,011,796	4,210,231	Quebec
P. E. I.	75,677	61,647	......	22,549	......	76,437	......	91,234	50,256	15,383	P. E. I.
Ontario	......	......	......	......	......	......	359,223	228,236	2,642,894	......	Ontario
Alberta	......	......	......	......	188,020	17,801	......	495,743	1,578,823	426,981	Alberta
Manitoba	......	......	......	179,052	125,135	600,389	706,641	......	2,006	189,571	Manitoba
Saskatchewan	......	......	......	71,261	......	104,915	88,000	115,261	125,435	......	Sask.
Br. Columbia	......	......	......	......	......	779,150	849,035	723,468	......	431,429	Br. Colum.
N. Brunswick	......	240,850	......	......	......	128,078	460,289	......	......	......	New Br.
Nova Scotia	......	......	88,157	......	......	......	......	......	101,924	......	Nova Scotia
Deficit:											
P. E. I.	......	......	235,743	......	5,262	......	33,679	......	......	......	P. E. I.
Ontario	......	......	15,195,227	8,468,765	5,107,365	812,140	......	......	......	646,061	Ontario
Manitoba	601,035	1,346,182	901,069	......	......	......	......	502,617	......	......	Manitoba
Alberta	2,118,210	1,910,302	571,684	620,841	......	......	215,980	......	......	......	Alberta
Sask.	361,745	1,520,226	309,781	......	120,178	......	......	......	......	518,176	Sask.
Br. Col.	17,667	448,618	515,088	1,390,787	1,333,344	......	......	......	1,731,093	......	Br. Col.
New Bruns.	539,607	......	168,540	110,236	556,239	......	......	103,686	530,200	843,735	N. Br.
Nova Scotia	91,306	790	......	118,142	1,502,060	582,468	49,070	609,448	......	218,921	N. S.

QUEBEC REPORTS $776,775 SURPLUS IN YEAR 1930-31

Balance Sheet Shows Strong Position — Changes Made

A surplus of $776,775 is reported for the Province of Quebec in the fiscal year ended June 30, 1931. The surplus would have been greater by $1,000,000 of the receipts from the Quebec Liquor Commission were this sum not ear-marked for a trust fund under the Quebec Charities Act. Ordinary revenue for the year was $41,630,620 and ordinary expenditure was $40,853,844. Still further changes are evident in the report when compared with the report presented last session.

For the first time the Quebec public accounts produce a statement of assets and liabilities, which is of a definite nature. No valuation is given of the natural resources of the province, such as forests, lands and hydraulic powers. The example of Ontario in capitalizing the federal subsidy is followed and an asset of $42,579,184 included in the total list of assets valued at $184,200,663. The principal assets are: public works and buildings, $19,657,231; dams and other such works, with allowance for depreciation, $6,762,080; roads are given as an asset of $48,743,464, this representing expenditure under the Good Roads Act, 1912, and allowing for reductions totalling $16,340,274; aid to colonization; $6,013,862; aid to unemployment, $2,150,044; capitalized value of the federal subsidy, $42,579,184; money in bank, accounts receivable, and accrued interest, $9,390,748; special funds, including trust funds or receivable from the federal government for unemployment account, $6,901,223; advances to municipalities under the federal workmen's dwelling law, $4,621,625; current assets of the Liquor Commission, $3,564,135; due from the federal government, $1,075,603; equipment, machinery and furniture of the different departments, $3,478,886; money available against future revenue, $526,433; Banque Hochelaga, $15,000,000, made up of $1,026,800 of repayments and balance of $13,973,199; sinking fund, $8,817,254.

Liabilities include $10,042,673 of accounts payable; $10,929,581 on account of various deposits; consolidated debt of $69,253,291 of which repayment at due dates is provided for by sinking fund payments to the extent of $49,874,907; reserve for sinking fund of $8,817,254; due Dominion for workmen's dwellings, $5,384,687; and accumulated surplus of $18,607,267.

Has Large Balance

Comparison of the assets and liabilities, consequently, shows a large amount on the favorable side, especially taking into account the fact that the contract with La Banque Hochelaga is being fulfilled year by year, and there is over 26 millions of reserves under the two headings mentioned.

Turning to the details of the consolidated debt it is to be noted that there are 19 loans in all. The province does not need to worry about the New York discount on Canadian funds as far as existing loans are concerned, since there is nothing due in New York funds until 1950. The consolidated debt stands at $84,235,291, and the net consolidated debt allowing for $9,843,842 in sinking fund and the $13,973,199 of the Bank of Hochelaga issue, makes the net consolidated debt $60,418,249.

This compares with $54,022,526, for the previous year, an increase of $6,395,722. During the year there was borrowed $2,850,000 under the Unemployed Aid Act of last session, $2,000,000 under the act of the same session for bridges, and $2,650,000 for roads.

The figures for the past five years, starting for the year ended June 30, 1926, are as follows, respectively: $56,426,557; $58,812,951; $58,827,531; $56,751,141; $54,022,526 and $60,418,249.

Saskatchewan Relief Board Has Distributed $257,305

Saskatchewan relief commission is giving direct relief to about 125,000 people, having in the two months of its existence issued relief orders to the value of $257,305, while orders are now being issued at the rate of about 2,000 per day, according to a report made recently by C. D. Daniel, general manager of the board.

Total amount of food orders issued to date is $83,464; 60,000 tons of coal have been distributed and orders are now being issued at the rate of about 4,500 tons per day.

The commission anticipates when it covers the whole field, there will be in the neighborhood of 250,000 people depending on it.

Alberta Government May Impose Income Tax Soon

A special session of the Alberta Legislature may be called before Christmas to enact legislation empowering the imposition of a provincial income tax, according to a prediction made recently in Edmonton by W. R. Howson, M.P.P.

Mr. Howson stated that the proposed tax would be made retroactive, and declared that Premier J. E. Brownlee was at present seeking legal advice in respect of the notice necessary for the purpose of calling the House together.

B.C. WILL NEED MORE REVENUE; MAY CUT GRANTS

Increase in Income Tax Possible; May Cut Services

From Our Own Correspondent

VANCOUVER.—British Columbia must obtain about $5,000,000 increased revenue next year to balance its budget, and the provincial government is taking steps to curtail expenditure to the limit. When the legislature meets early next year not only will there be provisions for increased taxation, but for drastic reduction in provincial appropriations.

One of the most far-reaching proposals is that the provincial government should withhold from the municipalities the grants that are now being made to them out of liquor profits, pari-mutuel returns and automobile taxes. If this proposal is carried out, and it is certain to arouse severe objection from the municipalities, the only alternative of the municipalities will be to increase the burden of taxation on land, which is something they have wished to avoid for years.

Needs $5,000,000 More

The government is spending about $29,000,000 in current account annually and recently it has thrown in about a third as much again on capital account. Against this, the government cannot count on revenue of more than $23,000,000 or $24,000,000 from its present sources of income, leaving a difference of about $5,000,000.

No one outside the government knows what sort of deficit the government is running at present, but it must be heavy, as the economies effected so far this year, including a quarter of a million dollars in civil service salaries, are mere drops in the bucket.

Hon. J. W. Jones, minister of finance, feels that the most convenient way of meeting the situation is to increase the income tax. When Mr. Jones brought in his one per cent income tax last year, in addition to the other regular income taxes, there was a loud outcry, but now Mr. Jones contends that this tax has not brought in nearly as much money as was contemplated. It would therefore seem quite likely that this levy will either be increased or the exemptions removed.

The 1 per cent income tax has been a disappointment. It has not been bringing in the $2,500,000 which it was expected to produce. Removal of present exemptions would make everyone earning an income liable to payment, whether the income happens to be $1,000 a year or $50,000.

Meanwhile the government is issuing statements warning that drastic cuts in government services are coming in order that the province may be able to live within its income, or as nearly so as possible under the present depressed condition of business.

Under normal conditions the government counts on the great basic industries to bring in a large annual revenue, but these have suffered from the industrial and business slump and the returns have been low accordingly.

The government seems convinced that industry cannot stand further taxation, and for that reason manufacturers and business concerns are not likely to be severely affected by the new budget proposals.

Saskatchewan Sets Out To Balance Its Budget

From Our Own Correspondent

REGINA.—Recent transfer of the portfolio of Provincial Treasurer from the Hon. Howard McConnell, who is also minister of municipal affairs, to Attorney-General M. A. McPherson, has led to a revival of interest in political matters. Statements both by Premier Anderson and by J. G. Gardiner, leader of the provincial Liberal opposition have made it clear that there was no likelihood of any coalition government being established. Mr. Gardiner renewed attacks upon the government, charging it with extravagance, and suggesting that attempts were being made to make Mr. McConnell the scape-goat for a condition of affairs for which the whole government, and especially the premier, were responsible. Wide publicity was given to reports that the change had come as result of pressure from financial interests for more efficient administration of the province's finances, and that Premier Bennett had intervened from Ottawa to secure the change made.

It is understood that under the new Provincial Treasurer, with the assistance of banks concerned in financing the province, a careful survey of the province's financial position is being made with a view to securing a balanced budget at the earliest possible date. Gossip resulted from announcement that the provincial government was to interview the directorate of the Saskatchewan Pool with a view to completing financial arrangements with that body, and this was taken to mean that the government was concerned to secure substantial reduction of the pool debt to the province somewhat earlier than had been originally contemplated, if that should prove possible.

Building Work in Saint John

Building work in Saint John continues active, there being about $12,562,865 worth of construction now in process, including the various projects going forward at the harbor, involving some $10,000,000 of contracts. Of the total, the amount represented by new dwellings is $112,865.

Limit Foreign Borrowings Says Canadian Bank Head

Beaudry Leman Surveys Economic Position of Canada at Close of Tenure of Office; McLeod New Head of Association

MONTREAL.—Increased prices for wheat, the position of Canadian chartered banks, gold production in the Dominion and the importance of borrowing money internally as opposed to seeking funds in foreign markets were the principal subjects dealt with in the address delivered by Beaudry Leman, general manager of the Banque Canadienne Nationale and retiring president of the Canadian Bankers' Association, before the annual general meeting of that body held on November 12. Mr. Leman is succeeded by J. A. McLeod, general manager of the Bank of Nova Scotia, as president of the Bankers' Association.

The following vice-presidents were elected for 1931-1932: S. H. Logan, general manager, the Canadian Bank of Commerce; M. W. Wilson, general manager, the Royal Bank of Canada; H. B. Henwood, general manager, the Bank of Toronto; and Jackson Dodds, general manager of the Bank of Montreal.

Should Borrow in Canada

Mr. Leman in his address criticized public bodies in Canada which borrowed abroad. He felt that borrowers should strive in the future to obtain their funds from domestic sources as far as possible, and should try and limit them to the investment capacity of the country. He reviewed the trade position of Canada and dealt with many questions which are particularly pertinent to the economic situation of the country today.

The full text of his address follows:

"What with a declining volume of exports and a reduction in prices of exportable products, the trade of Canada as measured by dollars shows a material falling off.

Trade Falling Off

"During the twelve months ended 30th September, 1931, the external trade of Canada amounted to $1,385,000,000, of which $675,000,000 represent exports and $710,000,000 imports. These figures compare with total foreign trade during the previous twelve months amounting to $2,106,000,000 composed of $1,003,000,000 exports and $1,103,000,000 imports. If we examine the record of trade between the United Kingdom and Canada, our sales decreased from $265,000,000 to $184,000,000 and our purchases from $171,000,000 to $125,000,000. During the same period our sales to the United States were reduced from $465,000,000 to $295,000,000, and our purchases from $726,000,000 to $446,000,000.

"As a gauge of business activity throughout the Dominion, the figures of bank debits may be of interest; for the first nine months of 1931 they amounted to $23,520,000,000, being nearly 15.0 per cent lower than the figures for the same period in 1930, owing to lower prices in security and commodity markets as well as the reduced scale of business and speculative operations.

"The marked increase in the price of wheat in the past six weeks is a matter of the highest importance to this country. The increased price has stimulated transportation seaward by rail and on the Great Lakes by boat. The new money received in payment should materially benefit our Western Provinces, improve the exchange rate on the Canadian dollar, and increase the purchasing power throughout Canada.

The Banking Position

"The latest figures available regarding the Canadian chartered banks are disclosed by the monthly return as of the 30th September, 1931. Total assets of the ten chartered banks stood at $3,045,000,000, against $3,228,000,000 on September 30th, 1930. Current loans in Canada, amounting to $1,136,000,000, were some $119,000,000 below last year's figures. Call loans in Canada at $166,000,000, and call loans outside of Canada at $90,000,000, showed reductions of over $59,000,000 and almost $97,000,000 respectively. Notice deposits in Canada aggregated $1,455,000,000, against $1,419,000,000 on September 30th, 1930, an increase of almost $36,000,000. Demand deposits totalling $594,000,000 were about $74,000,000 less than a year ago. Notes of Canadian banks in circulation were down from $164,000,000 to $140,000,000. Advances by the Dominion Government under the Finance Act were down from $20,700,000 at the end of September, 1930, to $19,500,000 on September 30th, 1931.

At the end of September, 1931, the gold and subsidiary coin holdings of the banks amounted to $71,496,000, as against $71,848,000 on the 30th September, 1930, while the Dominion note holdings of the banks for the like dates were $110,387,000 and $115,603,000 respectively. The foreign currencies held by the banks, largely United States Treasury Gold notes, for September 30th, 1931 and 1930 were $14,929,000 and $22,090,000 respectively. The cash position of the banks at the end of September, 1931, amounted to $196,812,000, as against $209,541,000 a year ago.

"The Dominion note circulation in the possession of the public was, at the end of

	1930	1931
August	$30,422,360	$28,721,026
September	29,169,064	28,249,141
October	29,217,257	28,983,106

This shows no material change in the volume of Dominion notes held by the public at the end of October as compared with the end of August, 1931.

"The bank note circulation in the hands of the public was at the end of

	1930	1931
August	$166,154,000	$141,813,000
September	163,513,000	139,908,000

Complete returns for the end of October, 1931, will not be available until the end of November, but information received from banks with head offices in Montreal shows total

(Continued on page 15)

FRONTENAC OIL MAINTAINS SALES AT HIGHER LEVELS

New Cyclo-Ethyl Gas Gives Fillip to Distribution

From Our Own Correspondent

MONTREAL.—Sales of McColl-Frontenac Oil Co. are said to be above levels of last year; recent distribution has been given stimulus by the introduction of a new gasoline. The new product marks the first time that McColl-Frontenac has handled the ethyl fluid and its blending with the company's own Cyclo gas is reported to have met with a favorable reception in the trade.

Development of new gasoline which has been apparent in the oil refining industry recently has been further extended by McColl-Frontenac which is now selling a new winter grade of its former Blue Marathon gas — a product which was placed on the market early in the year.

Outlook For Earnings

The company does not make public any details of sales or earnings during the current year and any estimate as to the effect of higher sales on profits must remain guess work. It is reported, however, that McColl has been fortunate in its crude oil purchases this year.

How earnings in the fiscal year ended January 31, 1932, will compare with those of the preceding fiscal period remains to be seen. Last year it will be remembered McColl-Frontenac reported a combined profit from operations and income from investments of $2,449,546 as compared with $2,171,394 in 1929. Higher provision for depreciation and larger bond interest needs, however, reduced net profit to $1,191,984 from the $1,431,970 shown in the previous year.

The directors and management participation fund will function for the first time this year and the showing made in the 12-month period will have a definite bearing on its operation. The policy was decided on at the annual meeting in May, 1931, and provides for a management participation in earnings instead of paying fixed fees to directors and bonuses to employees as has hitherto been the case.

Earmark Certain Sum

For the fund there will be set aside each year an amount equal to 10 per cent of the balance after the following deductions from net earnings: 9 per cent on the outstanding bonds and preferred stock of the company and 6 per cent of the capital invested in the common stock. Net earnings is defined as the profit remaining after taking care of operating expenses, bank interest and other similar charges but before depreciation and other reserves.

The fund will be distributed on the basis of 15 per cent to directors and 85 per cent to officers selected as worthy of special remuneration.

HIGH GRADE SECURITIES of Confederation Life Association

THE following Schedule of Investments of the Confederation Life Association, as at 31st December, 1930, shows the remarkably high grade of Securities in which the Funds of the Association are invested:

		Percentage of Total Invested Assets
Bonds and Debentures:		
Government and Municipal	32.22%	
Other	19.60%	
		51.82%
Mortgages:		
City and Town	15.71%	
Farm	2.93%	
		18.64%
Loans on Policies		20.06%
Real Estate		4.43%
Common Stocks		2.62%
Preferred Stocks		1.99%
Sundries		.44%
		100.00%

Upon these high grade Investments is built the solid financial structure of the Confederation Life Association and the Absolute Security which it affords its Policyholders.

A list of the Association's Bonds, Stocks and Debentures will be mailed, upon request, to your address.

Confederation Life Association

Head Office — Toronto, Canada

1871 - Sixty Years' Security and Stability - 1931

DIVIDEND NOTICES

Lake Shore Mines, Limited
(No Personal Liability)
Dividend No. 47 — Bonus No. 13

Notice is hereby given that a quarterly dividend of fifty per cent., on the issued capital stock of the Company, will be paid on the fifteenth day of December, 1931, together with a bonus of fifty per cent., to shareholders of record at the close of business on the first day of December, 1931.

By order of the Board.
KIRKLAND SECURITIES, LIMITED,
Secretary.
Dated at Kirkland Lake, Ontario, November 14th, 1931.

DIVIDEND NUMBER 221 AND EXTRA DIVIDEND

HOLLINGER CONSOLIDATED GOLD MINES, LIMITED

A dividend of 1% on the outstanding Capital Stock of the Company, and an extra dividend of 1% payable out of profits on New York Funds, making 2% in all, have been declared payable on the 2nd day of December, 1931, on which date cheques will be mailed to shareholders of record at the close of business on the 18th day of November, 1931.

DATED the 11th day of November, 1931.
I. McIVOR,
ASSISTANT-TREASURER.

The Canadian Bank of Commerce
Dividend No. 179

Notice is hereby given that a dividend of Three per cent on the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1931, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st December next, to shareholders of record at the close of business on the 31st day of October, 1931. The Transfer Books will not be closed.

By Order of the Board.
S. H. LOGAN,
General Manager.
Toronto, 16th October, 1931.

RELIANCE GRAIN COMPANY LIMITED

PREFERENCE DIVIDEND No. 16

NOTICE is hereby given that a dividend for the quarter ending November 30th, 1931, at the rate of 6½% per annum, will be paid on December 15th, 1931, to preference shareholders of record at the close of business on November 30th, 1931.

By order of the Board,
A. W. GIBB,
Secretary.
Winnipeg, October 20th, 1931.

Canada Cement Company Limited
PREFERENCE SHAREHOLDERS DIVIDEND No. 16

Notice is hereby given that a dividend of 1⅝% for the three months ending November 30, 1931, being at the rate of 6½% per annum on the paid up Preference Stock of this Company has been declared, and that the same will be paid on the 31st day of December next to Preference Shareholders of record at the close of business November 30, 1931.

H. L. DOBLE,
Secretary.
Montreal, October 28, 1931.

Canadi n International Investment Trust, Limited
PREFERRED DIVIDEND No. 11

Notice is hereby given that a dividend of 1¼% has been declared payable on the 5% Cumulative Preferred Stock for the quarter ending November 30th, 1931, payable on December 1st, 1931, to shareholders of record at the close of business on November 14th, 1931.

By Order of the Board,
G. V. RYCKMAN,
Secretary.
Montreal, November 16th, 1931.

The Bank of Nova Scotia
Dividend No. 248

Notice is hereby given that a Dividend of four per cent. on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of December 16th, and that the same will be payable on and after Saturday, the second day of January next, at any of the offices of the Bank in Canada.

By order of the Board.
J. A. McLEOD,
General Manager.
Halifax, N.S., November 10th, 1931.

P.T. LEGARÉ CO. LIMITED

DIVIDEND NOTICE

The regular 1¾% quarterly dividend on the 7% Preferred Stock of this Company has been declared for the quarter ending November 30th, 1931, payable on the 1st day of December, 1931, to shareholders of record at the close of business the 14th day of November, 1931.

By order of the Board.
P. C. FALARDEAU,
Secretary-Treasurer.
QUEBEC, November 10th, 1931.

New Industries in Toronto

During the past few weeks eleven new industrial enterprises have begun operations in Toronto, through the mediation of the Toronto Industrial Commission. These companies, at this early stage, give employment to 143 people and occupy 48,300 square feet of space in factories which represent an investment of $238,100.

GREENSHIELDS ISSUE LETTER TO CREDITORS

Partners Elucidate Points Questioned on Reorganization Plan

From Our Own Correspondent

MONTREAL. — Partners of Greenshields & Co., bankrupt Montreal Stock Exchange firm, have again circularized creditors. In this latest communication, which is signed by Richard O. Johnson, Russell D. Bell, Raymond Allen, Joseph H. Copeman, Barry German and Harold J. P. Stephenson, it is said that the trustee has received requests for further information on particular points and the present letter summarizes the reasons why the proposal to form a realization company and to revive the business of Greenshields & Co., is considered by the partners to be in the best interests of the creditors.

The letter, in part, follows:

1.—No creditor sacrifices any protection which he now has. He will get the same pro rata share of the assets of the estate and of the partners personally as if there were no reorganization.

2.—All remaining assets of the estate which are readily saleable will be turned into cash by the realization company and distributed to creditors just as quickly under the plan as if there were no reorganization. Realization of non-liquid assets will, however, be saved from useless sacrifice at forced sale.

3.—It should be possible for the realization company to make an initial cash payment to creditors on account of capital at an early date and to make subsequent payments at comparatively short intervals. If the reorganization plan were not carried through, these payments could not be made any more promptly by the trustee.

4.—The potential value of the resources of the estate, including the personal property and assets of the partners, will be definitely augmented by reviving the earning power of the partners. The reorganized firm will then pay 60 per cent of its net earnings to the realization company.

All Assets Liquidated

5.—All the assets of the estate and of the partners personally will be liquidated and paid to the creditors. The capital required to establish and carry on the business of the new firm must, therefore, be provided from other sources. It has been intimated by friends of the partners that should the proposal go through the necessary capital will be available. Details of the new organization of Greenshields & Co. will be subject to the approval of your trustee and inspectors.

6.—The realization company will be entirely distinct from the business of the new firm except to the extent of its right to receive 60 per cent of the firm's net earnings. It will not supply any capital to the new firm and will be free from any of its liabilities.

7.—The only alternative to the adoption of the plan is to allow unrestricted liquidation of the assets of the estate. Such a procedure would inevitably result in sacrificing non-liquid assets of large potential value. At the same time the creditors would be deprived of the benefit of sharing in the earning power of a business with a twenty year record of highly profitable operations.

NOTICES

MANUFACTURERS WITHOUT SATISFACTORY sales organizations in Nova Scotia please communicate with G. C. M., Box 1120, Halifax.

Accountant with several years' experience desires position with reliable firm. Best references supplied. Box 294, The Financial Post, Toronto

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University graduate, age 33, with ten years office, selling, district manager and dealer organization experience with large organizations, desires position with growing concern. Box 298, The Financial Post, Toronto.

AVAILABLE DEC. 1st

Energetic young man 31 years of age, with highest references. Executive experience as branch manager for one of the largest wholesale houses in Canada, also four years experience as bond salesman. Capable of interviewing executives. Desires to make connection with a reliable firm where there are future possibilities. Personal interview arranged. Communicate Box 299, The Financial Post, Toronto.

National Distributor

A national selling organization, now selling hosiery and men's and women's specialties, wishes additional lines of merchandise that can be distributed profitably through men's stores, departmental stores and women's specialty shops. A real opportunity for products to increase distribution without excessive selling cost. Could undertake Canada-wide distribution of good products or specially zoned selling arrangements could be made. Post office box 206, London, Ontario, Canada.

CANADIAN CAR & FOUNDRY COMPANY, LIMITED

NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of CANADIAN CAR & FOUNDRY COMPANY, LIMITED, will be held at the Head Office of the Company, 621 Craig Street West, Montreal, on Thursday, the 17th day of December, 1931, at twelve o'clock noon, to receive and consider the Annual Statement of the business and affairs of the Company; for the election of Directors; and for the transaction of such other business as may properly come before the meeting.

By order of the Board of Directors.
A. C. BOURNE,
Secretary.
Montreal, Nov. 16th, 1931.

MODEL OILS LTD.
Dividend Notice

NOTICE IS HEREBY GIVEN that a Dividend of three cents per share has been declared on the issued Capital Stock of this Company, and will be payable on and after the 18th day of December, 1931, to shareholders of record at the close of business on the 3rd day of December, 1931.

BY ORDER OF THE BOARD,
T. W. McKEE,
Secretary-Treasurer

Dated at Calgary, Alberta, November 14th, 1931.

NOTE—The transfer books of this Company will be closed at 5 P.M. on Thursday, December 3rd, 1931, and will be re-opened on Monday, December 21st, 1931, at the registered office of the Company, 7 Cameron Block, Calgary, Alberta.

Transfer Charge is 35c. for each new certificate.

Abitibi Power & Paper Are Enlarging Payroll

Abitibi Power & Paper Co. are increasing the number of men employed materially by placing operations at the Iroquois Falls and Sault Ste. Marie plants on a six-hour shift basis instead of an eight-hour basis.

For example, there will be in the Soo plant four six-hour shifts instead of three eight-hour shifts as at present, making it likely that about 100 more men will get employment. Similar increase in employment will occur at Iroquois Falls. The labor unions affected have agreed to the proposed changes.

Seeks to Block Meeting

From Our Own Correspondent

MONTREAL.—Charging that the trustee of the estate of Greenshields and Co. has not complied with the terms of the Bankruptcy Act in preparing a statement of the affairs of the bankrupt firm, James T. Wilson, of Ottawa, has filed a motion in the Montreal Bankruptcy Court to delay the creditors meeting called for November 26. At the meeting, if it is held, creditors will be asked to approve a reorganization plan whereby a realization company will be formed and the members of the firm released from bankruptcy.

Mr. Wilson asks the court to furnish him and others interested with information already sought from the trustee and, he claims, refused by him on the grounds that Wilson can himself secure it from the books of the company. In his motion, which has been filed and will be presented for allowance on November 20, Wilson declares his belief that the information cannot be secured from the books alone.

Makes Interesting Case

The case is of more than ordinary interest since it indicates the first definite effort to block the reorganization of one of the two bankrupt brokerage houses which have sought to form a realization company and reinstate the earning power of the partners of the firm with a view to paying back creditors. The plan as put before creditors of McDougall and Cowans has been approved.

Wilson, in his motion, has brought forward a large array of complaints, and asserts in his belief that grave questions of law have been raised around the position of shares held for customers. He declares that the date set for the creditors meeting, November 26, is not sufficiently remote to allow time for these legal questions to be decided. He claims that the principle adopted by the trustee with respect to these shares results, in his view, in an improper allowance and distribution of votes and that the appointment of the trustee and all proceedings subsequent are tainted with nullity and voidability.

Was Creditor for $3,057

Wilson declares that on October 5, the date of the bankruptcy, he was a client of Greenshields and Co. and was indebted to the company in the amount of $8,209 against which the company held certain stocks and bonds. Some of these were owned outright and some were held as security against margin accounts but he was not in arrears or default of any call for additional margin. Subsequently he was listed as a creditor for $3,057.

On November 3 he received from the liquidator a proposal for the scheme of reorganization but no statement to date, he claims, has enabled him to know the true financial condition of the company.

Question of Share Values

Certain of his own stocks, he declares, are valued by the trustees at a pegged or arbitrary and fictitious value and there has been no information given persons interested to enable them to know whether any, or how much, of the value in the so-called statement as being the value of assets in the hands of the secured creditors and of assets still in the hands of the bankrupt, represents assets valued at such fictitious value. He has no information or statement to enable him to judge whether, and to what extent, variations in market conditions have affected, or will affect, the said values, nor how the said values are arrived at, nor what assets make up the said value.

Wilson claims that answers given to a list of questions submitted by him to the trustee were ambiguous and that they disclosed that the partners of the firm had not been examined individually under oath as to their assets and that whatever assets they possess individually have not been included in the assets listed in the statement of affairs.

Presents Detailed Questions

Wilson acting for himself and a large number of other persons interested, he claims, demands answers to a lengthy list of questions. These follow:

"An itemized list of securities on hand.

"An itemized list of book debts listed as good.

"An itemized list of book debts listed as doubtful.

"Particulars of the real estate mortgage shown in the statement of assets.

"An itemized list of securities held by secured creditors, giving the names of the secured creditors and the securities held by each.

"Have all the securities held by United States concerns been sold by them?

"If so, was there any surplus in cash left over, and how much, and was it turned over to the liquidator?

"If the securities were not sold, a list of the securities unsold and the balance owing for which they are held by the said concerns.

"Copies of the examination of the partners of Greenshields and Company taken under oath.

"A list of the assets turned over to the liquidator by the partners individually, as distinguished from the firm.

"What authority has the liquidator for fixing the amounts for which the unsecured creditors rank on the basis of prices for securities obtainable on the date of the bankruptcy?

"Have any securities or other assets been sold by the liquidator since his appointment, and, if so, a list of the same. and the prices obtained therefor?

"At the date of the bankruptcy, had Greenshields and Company on hand, or under control, sufficient securities for the customers to make delivery if required to do so?

"Have any writs been issued, or other legal proceedings been taken, against the liquidator in connection with this estate?"

On November 10, Wilson claims that the liquidator refused such information on the grounds that he had not the time or the staff available to compile it, but it was suggested that Wilson himself obtain the information from the books of the firm. Wilson states that it is the duty of the trustee to compile the information. Further he claims that an examination of the books will not disclose some of the information sought. Some, he avers, should be contained in the statement of affairs to be made under oath to the official receiver pursuant to section 129 of the Bankruptcy Act. It is evident in his view that the firm has not complied with section 129 of the act in view of the trustee's statement that the information requested could only be obtained from the books of the firm.

Wilson therefore asks the court to order that the meeting called for November 26 be deferred for six weeks, or until such date as may be necessary to enable the creditors to be made conversant with the true financial position of the bankrupt firm. He also asks the court to declare the principle upon which the trustee should proceed in arriving at the determination of who are creditors, and who are simply pledgors and not creditors, in the cases of former customers whose stock is or should be in the possession of the bankrupt firm or the bank or banks with whom they did business. He also asks that the trustee be ordered to answer all the questions already submitted and to furnish the additional information demanded.

PRIVATE CAPITAL MAY HARNESS POWER

Saskatchewan Report Taken as Encouraging Individual Initiative

From Our Own Correspondent

REGINA.—A few weeks ago some facts were published concerning a report on a possible power development on the Saskatchewan River, in the northern part of the province, near Fort a la Corne, which had been made to the Saskatchewan Power Commission by the firm of H. G. Acres and Co., Ltd., consulting engineers of Niagara Falls, Ont. More information has now been made public, and significant is the fact that the Power Commission have allowed to become public some paragraphs of its own report to the government, transmitting the Acres report. Attention is called to the fact that the Acres report was secured because of approaches made to the government by private interests desiring to enter into negotiations for the power site in question, and while the terms offered have not been made public the Power Commission's comment is as follows: "Obviously it was not in the public interest for the province to risk either the possible disposal or a possibly unjustified depreciation in the value of an important unit of the province's limited water-power resources under such terms as were offered."

A year or so ago the publication of such remarks would have been taken as indication of a desire to proceed with the public exploitation of the power site. But neither the government nor any bodies connected with it are under any delusions as to the possibility of the Saskatchewan government entertaining for a considerable period, any large power projects in addition to those now under way, and general sentiment is now in favor of encouraging, instead of discouraging, the investment of private capital in the province. It is taken for granted that the government does not desire to shut off the possibility of private exploitation of the northern power site, but that it will not permit development of it on a limited scale that might interfere with a more comprehensive development later on.

The report on the Fort a la Corne site, which is situated to the east of Prince Albert, indicates that development of 125,000 horsepower might be secured by the expenditure of $12,200,000, of which approximately half would be for a dam. The estimate of available power is contrasted with a previously estimated quantity of 90,000 h.p. which was possibly the estimate of the private concern interested in the matter. The cost of transmission lines to Prince Albert, Saskatoon, Regina and Moose Jaw is estimated at an additional $4,500,000. The cost of delivering power to the cities concerned is estimated to vary from a minimum of 8.421 mills per kilowatt hour in Regina in 1934 (allowing for estimated increase in consumption) to 9.688 cents in Prince Albert, and at these costs power from hydro sources would be practically competitive with that developed from coal.

Amulet Meeting Sees No Change

At the annual meeting of Amulet Mines, held in Montreal, November 16, F. M. Connell, president of the company, said that if metal prices improved the company could and would resume operations quickly, but as prices were still very low, there was not much chance of getting into production for the time being. The mine and mill are being maintained in good condition. Directors of the company were re-elected without change, the vacancy created by the death of Hon. J. L. Perron not being filled.

To Make U. S. Line

Armstrong Machine Works, of Three Rivers. Mich., have completed arrangements with the Arthur S. Leitch Co., Ltd., Toronto engineers, manufacturers and contractors, whereby the latter concern, who have heretofore acted as agents for the U. S. company, will manufacture the Armstrong line of steam traps at their plant on Frederick Street, Toronto. Arthur S. Leitch, president of the Toronto company, states that the Canadian-made product will be placed on the market before the end of November.

De Forest Buys Testing Device

De Forest Crosley Ltd., subsidiary of Consolidated Industries Ltd., has acquired Acremeter Canadian Ltd. which manufactures a tube testing device for radio tubes. Purchase includes plant, stock, equipment, patents and copyrights. The announcement follows shortly on the recent organization of a new division for the merchandising of radio tubes.

Consumers' Gas Co. May Do Financing

Consumers' Gas Co. shows in its balance sheet for the year ended September 30, 1931, bank loans of $485,283 as a result of important additions made to plant and equipment. This makes it probable that the company will again within a short period do more financing, probably by asking for tenders on another block of common stock as it has been doing in recent years.

The company is allowed by statute to sell its stock only by tender or auction. It has authorized capitalization of $25,000,000 of which $13,250,000 is outstanding. No more than $1,250,000 stock can be sold in one year. The company's plant investment is shown higher by nearly $1,000,000 as compared with 1930 and therefore this stock, when issued, will have additional earning assets already established. In fact this plant expansion explains the bank loans, which will disappear after new stock is issued.

Lord Nelson Hotel Interest Unpaid

Interest on the $600,000 of 6½ per cent first mortgage bonds of Lord Nelson Hotel Co., Halifax, due on November 1, remains unpaid. Under the adverse operating conditions of the current year the company is understood to have had an operating loss of over $50,000 in the first eight months of 1931. Interest was paid May 1 by Canadian Pacific Railway Co. which owns a controlling interest in the company.

Negotiations have been under way for some months with a view to placing the Lord Nelson Hotel and the Nova Scotian, owned by the C.N.R., under a joint control which would probably result in the C.N.R. hotel being closed for at least part of the year. The Lord Nelson Hotel bonds will be in default on January 1 but, while the bondholders could foreclose, there might be some difficulty in operating the hotel and under present conditions it is considered as doubtful whether the hotel could show a profit. Management during the current year has been in the hands of the C.P.R.

In addition to the first mortgage bonds, there is $640,000 of $100 par value 7 per cent preferred stock and 2,285 shares of no par value common stock outstanding. The C.P.R. owns control of the common stock and $350,000 of preferred stock.

To Drill For Oil and Gas in Southern Saskatchewan

The ceremony of spudding in a new well to test a district about 42 miles south and west of Regina, on the property of the Blackfoot Oil & Gas Development Co., took place early this month.

Considerable interest centres about the spudding in of this well inasmuch as it is in a new structure geologized by W. B. Fry to test the potentialities of southern Saskatchewan as an oil or gas field. It is expected that the top of the Belly River formation will be reached at a depth of about 850 ft., and that in this strata will be found gas-producing sands.

INTER. HYDRO SYSTEM PROFIT HOLDING WELL

Earnings for Half Year on Same Basis as in 1930

From Our Own Correspondent

MONTREAL.—Interim financial statement of International Hydro-Electric System, one of the major divisions of International Paper and Power Co. and controlling New England Power Association and Canadian Hydro-Electric Corp., shows income during the first half of 1931 at $25,377,815. Comparative figures for the corresponding period of 1930 are not available, but gross income for the full year ended December 31 last amounted to $50,397,825.

Net revenue, including other income, for the first six months of 1931 amounted to $14,880,892 or approximately half of that reported for 1930. The balance added to surplus during the current half-yearly period was $1,351,934 bringing the surplus at the end of June up to $19,449,882. This compares with a surplus of $20,060,104 at the end of 1930. After the payment of dividends this year, the profit and loss account showed a balance of $18,351,808, at June 30, 1931, up from $18,097,947 at the end of last year.

Assets Are Greater

Consolidated balance sheet of International Hydro-Electric System at June 30 last, shows total assets of $486,801,458. This compares with $474,901,546. During this six months period, capital assets increased from $422,183,950 to $431,528,370. The principal change was in property account which advanced about $8,700,000 to $409,916,565.

Current assets show a decline from the end of December at $15,550,627 to $14,275,265 at the end of June, 1931. There was a proportionate decline in cash, accounts and notes receivable and in inventories.

Working Capital Lower

On the other side of the balance sheet, current liabilities show a slight increase during the six months period from $12,471,943, to $12,973,527. The net working capital position, accordingly, shows a decline in the half year from $3,078,684 to $1,301,738.

Among assets, amounts due from affiliated companies show an increase in the six months period from $17,684,758 to $19,519,455.

Sinking fund reserve has increased from $405,589 to $1,612,283; prepaid expenses from $3,289,240 to $3,411,940; discount and expense on bonds and other securities shows an advance from $15,787,379 to $16,454,142.

Debt Charges Gain

On the liability side of the balance sheet, the company's own funded debt shows no change at $30,000,000 but the funded indebtedness of subsidiaries has increased from $207,414,930 to $215,528,066. The contingency reserve has advanced from $4,622,543 to $5,011,099 while depreciation reserve has been stepped up from $29,303,451 to $30,713,953.

Capital stock obligations of the company show a slight increase in the preferred and other stocks of subsidiaries at $100,718,502. Minority common stocks are up about $300,000 at $15,577,846. There has been no change in the outstanding preferred stock, class "A" stock, class "B" stock, and common stock.

The capital surplus remains unchanged at $12,484,173, while the earned surplus has increased from $5,613,774 to $5,877,635.

Another New Industry Is Brought to Canada

The Canadian General Electric Company announces that at the Peterborough works it has begun the manufacture of the types of electric motors used to operate electrical refrigerators, oil burners, and similar machines, where high starting ability and quiet operation are essential.

Motors of this type have previously been imported, chiefly from the United States, and their manufacture in Canada will give employment to a considerable number of workers, according to A. S. Edgar, of the Canadian General Electric. The work of building machines and fixtures used in the making of these motors has been going on for several months, and in itself has given employment to many skilled mechanics.

Manitoba Coal Contracts Favor Western Mines

Western coal operators only will benefit by the award of Manitoba government coal contracts for heating the provincial buildings and institutions this winter. Orders to be placed total 35,000 tons.

The Manitoba government has favored its sister province in the matter of coal tenders ever since the Alberta government purchased a large quantity of Manitoba limestone in face of the keenest competition from United States suppliers.

C. S. L. Makes Appointment

F. T. Cuttle has been promoted to be assistant freight traffic manager, bulk freight division, of Canada Steamship Lines. Mr. Cuttle has been connected with the company since 1920 and since 1928 has been assistant to the manager of the freight traffic department.

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Real Estate Investments, Mortgage Loans, Insurance, Rentals, Stocks and Bonds
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Black & Armstrong
Real Estate, Valuations, Rentals Farm Lands, Mortgages and Insurance.
200 Toronto General Trusts Bldg.,
Winnipeg, Manitoba

Orders Still Lagging for Retail Hardware

Retail sales of hardware, generally, have not yet begun to show the anticipated improvement, the long period of unemployment having curtailed buying power for many people, states Hardware and Metal, Toronto.

Jobbers, however, intimate that orders from the retail trade have shown improvement in quantity and a steady upward trend is expected to appear toward spring. Price reductions anticipated for this fall have been retarded somewhat by the exchange situation.

Sheet metal prices at jobbers are generally lower, particularly for larger quantities. Some paint manufacturers in the east have followed the lead given by western producers last week and announced reductions of 25 cents a gallon on house, porch and floor paint, floor enamel and wall paint. Turpentine prices have firmed and advances are reported in various Canadian centres, while linseed oil prices show an upward tendency following in the wake of advances in flax seed.

Model Oils Declare Three Cent Dividend

Model Oils announces the payment of a dividend of three cents per share on December 18, to shareholders of record of December 3.

The disbursement brings the total distribution, since dividends were inaugurated last March, to 9 cents per share representing about $74,000 paid to shareholders.

The dividend policy called for a regular disbursement every three months, but the dividend normally due in September was passed.

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REAL ESTATE — INSURANCE
FINANCIAL AGENTS
Edmonton Credit Building,
Edmonton, Alberta

Sun Life Building, Montreal

Stability

The massive proportions of the new Sun Life Building are symbolic of strength and stability, a monument to the continued growth of this great Canadian institution.

In congratulating the Sun Life Assurance Company upon its achievement, Alexander Murray & Company reflect with pride upon the selection of a Murray-Made Built-up Roof for this magnificent structure.

MURRAY MADE

BONDED ROOFS

A Surety Bond definitely guarantees trouble-free and expense-free service over a period of 10, 15 or 20 years, according to the specification selected. Only authorized Roofers are permitted to apply Murray-Made Bonded Roofs, the entire construction being under the direct supervision of Murray engineers.

Alexander MURRAY & Company
LIMITED
(DOMINION TAR & CHEMICAL CO., LIMITED)
MONTREAL TORONTO HALIFAX SAINT JOHN WINNIPEG VANCOUVER

BUR 10

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Bonds and Stocks Made To Suit Every Taste

Bearer, Registered, Convertible, Serial, Collateral Trust and Refunding Loan Bonds—Cumulative, Redeemable, Participating, Convertible Preferred Stock—Common Shares

Having thoroughly understood the essential difference between stocks and bonds, the new investor should then familiarize himself with the names and characteristics of the various kinds of stocks and bonds which have been created for the sake of meeting market demands.

Those who form joint stock companies, or other concerns which raise public money on bonds alone, have found that in selling shares or bonds to the general public the best results are achieved when the amounts payable for each share or bond are well within the buying power of a large number of people. Bonds, for example, are generally issued in denominations of $100, $500 or $1,000 with a preference for the latter figure in Canada to suit such large institutional buyers as the insurance companies. Shares of stock may be issued at a nominal figure from $1 to $100 for each share, this sum being referred to as the par value, or they may be issued with no par value at all.

Neither the bonds nor the shares are necessarily sold at the figure stated in the certificates or bond script. When an issue of a municipality or a company is referred to as having been offered at 96, the meaning is that a total issue of $100,000 would be sold for $96,000 or at $96 for every $100 of value shown. At the date of maturity the full $100,000 would be paid.

Market Determines Value

In Canada as well stocks are very often sold at less or more than the par value. One sees continually shares of the large gold mining companies with a par value of $1 selling for several or many times this amount. Having been distributed among members of the general public, the value of a security from day to day is determined by the ideas and demands of the market place and within a year or two from the time of issue it is always possible that actual market values will be far different both from the par value and the price at which shares or bonds were actually sold. In a later article longer reference will be made to par value and no par value shares and the arguments urged for each.

Tailoring Securities

In trying to sell an interest in a business through the medium of bonds and stocks, investment bankers have realized that people with money are not divided into two hard and fast groups such as those mentioned in the first article in this series: they are not necessarily desirous either to be outright in the position of creditors fully secured and knowing exactly what the rate of interest is to be and when the principal will be repaid, or only of owners taking whatever profits may come after every other demand has been attended to. These investment bankers, before buying a block of stock or bonds of a company, city or country and re-selling to the general public, have to gauge shrewdly the degree of optimism as to the future predominant at the time of the issue, the probable ease or difficulty in getting money and the ideas of the old owners and directors of the company or officers of a municipality or government, whichever the case may be.

Thus it has come about that there are stocks with a preferred position and having definite returns when these are available just as bonds have though they are not backed by mortgage; and there are bonds with provisions which permit the owner to change into stock or buy additional stock if he ever wishes so to do and some bonds that only pay interest when it is earned just as stocks do. In fact, stocks and bonds have been ready-made to meet the demands of every sort of temperament.

The following glossary of the principal bonds and stocks to be met with by the investor will make it plain how financial evolution has developed to the point where every shade of need and view are provided for

Varieties of Bonds

Bearer Bonds are issued so that the holder whoever he happens to be is the owner, and ownership can change without notification being made to the issuer. It necessarily means that great care has to be taken of such bonds. Interest is usually paid by means of coupons attached to each bond which fall due regularly on each interest date and which are payable at the banks and in the manner stated on the bond and the coupon. They are then called **coupon bonds** as well.

Registered Bond. This bond is registered as to principal though coupons are attached payable to bearer.

Fully Registered Bonds have bondholder's name upon the face of the bond which is transferable only by signature and through regular transfer channels. Interest is payable to the holder by cheque.

Serial Bonds are bonds whose principal is payable in a series of annual installments.

Collateral Trust Bonds are bonds which are secured by various stocks or other securities pledged with a trustee.

Refunding Loan Bonds are issued in order to meet payments of principal on other bond issues falling due.

Convertible Bonds are bonds containing a provision which gives the holder the privilege of converting into preferred or common stock as set forth in the bond if they ever believe such conversion is or will be advantageous to them.

Bonds are often **callable** at prices above the **denomination**; that is, above the exact amount printed upon the bond script giving the value of the document. Most of them have **sinking funds** which are funds built up by annual provision with the object of writing off all or a portion of the bonds issued by maturity. Some Government bonds are **tax-exempt**, that is, the holder does not have to pay income taxes on revenue derived from them. When it is agreed that the issue under consideration will be the only one outstanding by the company unless consent is given by a majority of the bond-holders or until the issue is retired, that issue is called a **closed issue**. As soon as bond interest is in arrears a definite stated period of time, the company is said to be in default and the trustee has the right to take action against the management on behalf of the bondholders.

The **denomination** represents the value of any single bond and is printed upon the bond script. A price above the face value of a bond is said to be the **premium** at which it sells.

Kinds of Stocks

Preferred stock is that portion of the stock which is given certain specific rights over the **ordinary** or **common stock**, for example, preferred stock usually has a definite rate of dividends payable when income is sufficient and is generally limited to such dividends. Occasionally preferred shares are also **participating** which would mean that after a certain amount is paid on the common stock further dividends would be shared on terms set down between the common stock and the preferred stock. Thus a 6 per cent preferred stock might, when the company prospers, be paid 8 per cent when the common stock dividend is raised from $6 to $8 a share. It would be sharing with common all earnings above the amount sufficient to pay $6 a share.

The dividend on preferred stock is in many cases stated to be **cumulative**, meaning that if a company cannot pay the dividend in one year or more it will have to make good the amount not paid as well as later dividends before the common stock can share again.

A preferred or **preference** stock is said to be **convertible** when there is provision by which the holder can change into common stock in a certain ratio. In such a case the preferred stock is also usually **redeemable**, that is, the company can buy it in at a stated premium if it wishes. In case of redemption convertible shares are often converted when holder does not want them redeemed. The **retirable** feature is a clause in a preferred share certificate providing for redemption at par, a premium or a price to be agreed upon. Some certificates have **detachable warrants** which permit the buying of a proportionate amount of common stock at a fixed rate up to a definite date.

Common stock is the stock held in common by owners of a business, dividends usually depending entirely on earnings and there being no cumulative feature.

Take the Best

Surely there are a number of well-secured bonds and preferred stocks which are now undervalued and safe.

I desire to buy a good $500 bond for my widowed sister who wishes to build up safe investments of moderate proportions within the next five to ten years. She can't possibly afford to lose; yet the return from first-grade bonds are now very low, hence is there not safety in a somewhat lower grade where the yield will be better.

If it is within your sphere will you kindly state your opinion regarding International Power and Paper of Newfoundland first mortgage bonds 5 per cent, due 1968, now selling at 81, and Dominion Gas & Electric Co. First lien and Col. G. Bonds, 6½ per cent series due July 1, 1945 and quoted at 96?

Would you consider Steel of Canada preferred a sufficiently safe buy for a woman at present prices?

As your sister is a widow who cannot possibly afford to lose, we would not suggest that she should in any respect take anything but the highest security, though, judging by present performance and past record, there is sufficient safety in Steel of Canada preferred, International Power and Paper, of Newfoundland, 5 per cent bonds, Dominion Gas and Electric Company 6½ per cent series fully to justify the prices at which they are selling. Until the present depression has been definitely and finally liquidated, however, it would be better for her to stay with Dominion Government and other gilt edge bonds entirely. There is this in her favor that the value of such bonds is increased so far as the return to her is concerned by the drop in commodity prices.

We may add that there are a number of well-secured bonds and preferred stocks which will be proved, in the result, to be now undervalued and those you mention have good prospects of being in such a list, but one has to calculate on the incalculable until world business is once again proceeding on an even keel. That takes one so far afield into questions affecting international politics, business and exchange that a widow should be very careful.

Such a list as you suggest is for the wide-awake business man, watching market trends and influences, courageous in backing his opinion and ready to "stand the gaff" or "jump off the wagon" if he finds events going contrary to expectations. They may be bought with greatest safety when business begins to grow more active and purchasing power stronger in the districts where these companies find their markets.

For a Little Girl

I have a little girl (aged 13) for whom I am holding 60 Consumers' Gas bought in 1921 and showing a profit.

How would you regard a switch, bearing in mind safety and long term appreciation, to Imperial Oil stock?

To help you decide your problem all that a financial adviser can properly do is to give the broad general facts bearing over a term of years on the securities mentioned by you.

Dividends have been paid on the common stock of Consumers' Gas Co. at the rate of 10 per cent from 1848 to 1857, 8 per cent from 1858 to 1873 and 10 per cent from 1874 to date. The company has a strong working capital position. In the last six years the company's earnings available for common dividends of $10 a share have been as low as $8.72 in 1925 and as high as $10.51 in 1928. This does not at first sight look like a large recovverage in view of the fact for three of these six years the earnings fall below the dividend necessary to pay. However, this was after taking from total net earnings an amount for plant and buildings renewal fund rising from $634,235 in 1924 to $949,021 in 1930. The company has a strong reserve at $7,591,555.

The general confidence in the dividend policy of the company is based not so much on the actual earnings as on the special incorporation act of the company, giving effect to an agreement that after dividend and certain other requirements of the company are looked after other surplus amounts shall be devoted to the reduction of gas rates in the city. The encouraging point is that the company has been able to make a number of reductions in gas rates and still to keep on the average enough income coming in to support the 10 per cent dividend. In any year that the net profits fall below the requirements of the company, it has the right to apply part of the reserve fund to continue to pay dividends at the rate of 10 per cent.

The dividend payable is fixed by statute at 10 per cent per annum. If the company has to draw on the accumulated reserve fund to make up a deficiency the company may then increase the price of gas sufficiently to yield revenue adequate to replace the reserve fund and to pay the regular 10 per cent dividend.

Imperial Oil has working capital exceeding $60,000,000. It earned 72 cents a share in 1930 and paid a 50-cent regular dividend and a special distribution from accumulated surplus from foreign investments of another 50 cents a share. The initial dividend of Imperial Oil was paid on March 15, 1900, at the rate of $6 a share on the 10,000 $100 par value shares outstanding at that time. Since that time to the end of 1930 the company has paid dividends of $144,299,891 — almost $100,000,000 of that amount has been paid in the last decade. Total dividends and dividend rates have been increasing steadily during the last decade.

The company has as its powerful sponsor, Standard Oil of New Jersey, New York, but is a Canadian company officered by Canadians, for the most part, and has established itself in a very firm position. In the United States there has been a chaotic condition in the petroleum industry, and most of the large companies in the first six months of 1931 reported losses. Canada is at the moment protected against that situation by an increase in tariff and by the fact that the Canadian dollar recently depreciated to an extent which really created additional protection. The dumping duty is also applied against distress gasoline. Without this protection it is believed that operations in Canada for the large companies would be almost profitless.

A revival of business in Western Canada would be very helpful to this company.

Can Funds Be Secreted?

May I turn to you for a little legal advice?

I invested approximately $2,000 with a certain brokerage company, carrying my stocks as follows:

100 shares Abitibi common—fully paid up.

100 shares B. A. Oil—paid up all but $250.

The company lately made an assignment under the Bankruptcy Act, and by reason of the price level of the stocks at the time my credit amounted to only $1,000. The estate of the company was put in the hands of a trust company. After a meeting of the creditors this trust company became the official trustee of the creditors in handling the estate.

A short time ago I received a form from this trustee to be signed by me, waiving my claim to the particular stocks which they had bought on my order in order to allow the trust company to sell the remaining stock and settle the estate. I signed this and returned it to them, believing that this was regular.

By a recent notice in a newspaper I note that a company has been incorporated in the same city under the same name as one of the partners of the brokerage firm which assigned. If this happens to be one of the members of the bankrupt firm what can be done about it? Their estates were supposed to have been taken to settle the claims of the creditors, their private estates also, even their life insurance policies. It was noted at the time, however, that these amounted to very little in comparison with the total of the claims of the creditors.

I have been wondering if it is possible under our laws for members of such a company, finding themselves in an impossible situation with their commitments, to draw in all the margin possible from their clients, secret a sufficient amount of funds to recommence business, then make an assignment, letting the clients take the bulk of the loss. They could then reorganize under a slightly altered name with the capital they had secreted? I am not imputing such designs to the company in question, but I have been wondering if it is possible for such a thing to take place.

I am making certain specific enquiries. I have written to the Provincial Secretary for the personnel of the new company. I would be glad if you would advise me what other steps I might take to ascertain the exact state of affairs.

This is a matter for expert legal opinion rather than investment opinion, especially in view of the fact that you have signed a form waiving your claim to particular stocks bought on your order.

If you are right in supposing that the new firm contains as one of its members a partner of the bankrupt firm, it again is a matter for legal opinion, depending on the circumstances of the case, as to whether a move can be instituted by the trustee to secure additional money.

No doubt it is possible while the business is still solvent for partners to withdraw large amounts for their personal use. It is also possible that one or more partners may have deposited in other countries so as to be out of the reach of creditors, but such action would hardly be taken unless the partner was doubtful either of the legality of the procedures taken or the solvency of his firm in the long run. The data you require concerning actions of partners in this respect could only be found out by a most searching investigation by the trustee or accountants which they employ, the investigation to extend not only to books of the company and of the partners, but to the banking accounts and files of the men involved.

It would be the duty of the trustee in the case to make every effort to secure funds which can legally be made available for the benefit of the creditors.

Bell Telephone

Do you think there is any possibility of the Bell Telephone Co. reducing the dividend on its common stock? I note that last year earnings were slightly under full dividend requirements.

Though information at hand would indicate that earnings of the Bell Telephone Co. of Canada this year will again be insufficient to cover dividends on the common stock, this does not presuppose that the directors will take any action toward reducing the dividend. Last year the company drew upon its reserve to pay the full dividend, and, it is possible, that similar action will be taken this year.

If an improvement does not take place in the operating position of the company, some steps may be taken by the management toward increasing the rates to bring about a more adequate income. As you know, the company is entitled to an 8 per cent return on its money and can increase its rates to bring about that result.

Trend of Stocks

I would appreciate it very much if you would give the names of the most reliable firms to deal with in stocks, etc., and let me know if stocks are at the lowest ebb and what to buy?

The best thing you can do is to choose some reputable firm which belongs either to the Montreal or Toronto Stock Exchange. These firms are all pledged to adhere to certain rules which tend to make trading fair and equitable. As brokerage houses do not publish financial statements, it is impossible for us to give any financial rating to any brokerage concern.

Stocks are very low and apparently too low, but no one can say with certainty what the course of business will be within the next six months. There has been a lower level in 1930 and 1931 than for some years previous but there are various political and other uncertainties to clear up in the United States and Europe before there will be encouragement for business to move forward once again. There has been some encouragement from recent movement of commodities, and if it continues, this may relieve the situation materially. A real effort is now being made to solve international problems which prevent recovery.

The Financial Post does not recommend stocks, but if you ask us for information concerning any particular stock we will be glad to give you available information to aid you in coming to a decision.

Mid-Continent Royalties

Will you please give me information regarding Mid-Continent Diversified Royalties, Inc. Is it a safe investment?

The Financial Post does not give information on United States companies. In any case the operations of such a company are hard to scrutinize as the holdings of most oil royalty companies are down in the Southern States where they are subject to fluctuation on account of curtailment schedules of petroleum and also the experience in production. Shares of such companies are seldom very easily marketable, dividends for some years after formation are often quite large, but they must be considered to be in part return of capital.

Some of the companies have done quite well, though present conditions are not favorable, but we know very few that we would be inclined to speak of as in the category of a safe investment.

Consolidated Paper

Would you be good enough to give me your opinion on the ommon shares of Consolidated Paper Corp.? What do you think of the outlook? Do you think the shares will be popular?

As yet, it is too early to form an opinion regarding Consolidated Paper Corp. common stock. Any merits it may possess can only be viewed from a long pull angle, since, as you know, not even bond interest will be paid for five years. However, the drastic paring down of Canada Power and Paper capital structure should allow the new company to develop an earning power, if and when conditions in the newsprint industry improve; eventually, it may be expected that a fairly active market will prevail for the new common shares.

Burns & Co. Bonds

I hold some Burns & Co. bonds. In view of the severe recession in business in the Prairie Provinces, can you tell me the situation as it affects these bonds?

The total issue of Burns & Company outstanding Series A 5½ per cent first mortgage bonds due 1948 amounted to $6,928,400 as at Dec. 31, 1930. Its bond interest of $384,360 was just earned in 1930 with a net profit of $1,557 to spare, but this was before depreciation. After depreciation and bond interest there was a considerable deficit.

The accumulated surplus after payment of preferred dividends in 1930 was reduced to $14,663. Preferred dividends, of course, are no longer being paid, but the company has had the adverse business conditions in Western Canada to confront during 1931.

The working capital at the commencement of the year was $1,914,138. In 1930 inventory had dropped from $3,967,955 to $2,674,394, the total current assets being $5,279,160. Current liabilities stood at $3,365,022. This was considerably under the amount a year earlier, mainly through the reduction of bank demand loans from $3,689,000 to $2,436,000. The bank overdraft also dropped from $165,168 to $44,169.

The situation, however, continued adverse throughout 1931 but heavy reductions were made in the expenses of all departments of the company and subsidiaries with the result that for the eight months ended Aug. 31, 1931, the earnings available for bond interest before depreciation were slightly better than for the same period in 1930 although turnover was not so large. As further working capital was evidently required, arrangements were made whereby Senator P. Burns, founder of the business, is putting approximately $800,000 into the business. He receives for $200,000 of this sum 20,000 ordinary treasury shares of Burns and Co., and the rest represents a purchase of 6 per cent redeemable mortgage bonds of the subsidiary company, Palm Dairies Limited. With four quarterly dividends passed, preference shareholders are now voters at annual meetings. The business of the company will in all probability fluctuate with business conditions in Western Canada where it has its principal business. This will in turn automatically reflect on the safety and marketability of the bonds.

Northbourne Heights

Can you give me any information about .... Toronto. They are offering lots in Northbourne Heights Ltd. on the north side of Church Street in York County. They sold two lots at $800 of which $100 has been paid, the balance of $700 payable at $20 a month. Five months arrears at $20 and with installment due, total $120 which has has not been paid. Do you consider same a good investment? Do you advise me to pay arrears or stand loss of $100 already paid? Agent said that any time I wanted my money I could have it. Now that I have decided to let it go and have my $100 back they won't do it. Furthermore, they are urging me to pay the $120 arrears at once. What shall I do?

The giving of information with regard to lots in speculative real estate subdivisions does not fall within the scope of the investment service given by The Financial Post. The only reason why one buys a speculative lot is that he hopes there will be appreciation, but to prophesy such appreciation would be tantamount to saying that one can see into the future. Many developments one cannot foresee affect the fluctuations of real estate values, and the appreciation and depreciation on land values which happen from time to time in different districts are difficult to forecast.

Your experience is quite a common one in connection with purchase of lots in speculative sub-divisions. They are easy to buy but often rather difficult to get out of without a loss. What the agent promises is of no legal value unless you have witnesses. It is what you actually sign that counts most.

Canadian Car

Will you be good enough to give me your opinion on the current position of the preferred stock of Canadian Car and Foundry Co.? Do you think they will continue paying dividends on this stock?

Canadian Car and Foundry has just completed its 1931 fiscal year, the financial statement showing insufficient earnings from operations and income from investments to cover the dividend on the capital stock. On the other hand, the company continues to maintain a very strong financial position. While the prospects for additional business from the railways is not too encouraging at present, there is reason for believing that the company will maintain the preferred dividend inasmuch as its liquid position would warrant such action. There is also the possibility of a favorable decision in respect to the company's war claim, which would bring several million dollars to the company's treasury.

PROFESSIONAL SUITES FOR RENT

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To the manufacturer or seller it offers a service which eliminates tying up capital in long term receivables, and is based on sound principles with adequate protection and national representation, through fully equipped branch offices.

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We invite your inquiries which will be held strictly confidential.

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A National Service By a Canadian Company

Dairy Pool Makes Money

Among the most successful co-operative creameries of Canada is the Northern Alberta Dairy Pool, Edmonton. Its 3,000 members collectively earned profits and reserves of three and a half cents per pound of butter fat during the past year and made approximately 3,000,000 pounds of butter.

EIGHTY-THIRD ANNUAL REPORT OF THE CONSUMERS' GAS COMPANY OF TORONTO

Year Ended 30th September, 1931

Your Directors present herewith the Eighty-Third Annual Report of the operations of the Company together with the Financial Statements for the year ended September 30th, 1931.

It is gratifying to report that, notwithstanding the lessened activity in some of the larger industrial plants, and the consequent reduction in the quantities of gas used in these establishments, the total volume of gas output during the year has slightly exceeded that of the preceding year.

The total number of gas meters in service at the close of the year was 170,830, the increase during the year being 2,027.

The revenue, expenses and operating results are summarized as follows:—

Gross Earnings	$7,994,303.75
Operating Expenses	5,803,662.68
Net Earnings	$2,190,641.07
Special Surplus Account, October 1st, 1930	284,602.49
	$2,475,243.56
Interest, Dividends and Plant and Buildings Renewal Fund	2,248,429.95
Special Surplus Account, September 30th, 1931	$226,813.61

The Directors, after carefully considering the Company's financial position, were pleased to be able to announce a reduction in the net price of gas of five cents per thousand cubic feet, effective on all gas accounts rendered on and after April 21st, 1931. The annual saving to the gas consumers represented by this reduction is approximately $300,000.00.

In accordance with the By-law passed by the Directors on January 5th, 1931, and confirmed by the Shareholders at a special general meeting held on February 16th, 1931, application was made for Supplementary Letters Patent under the Ontario Companies' Act, giving effect to the matters contained in the By-law.

On March 6th, 1931, the Prime Minister and members of his Cabinet heard the application in the presence of representatives of the City of Toronto. Supplementary Letters Patent were granted in the terms of the Company's Petition, on April 14th, 1931.

There were no new major additions to the manufacturing plant undertaken during the year. The extensions to the coal gas plant at Station "A" and to the steam raising plant at Station "B", referred to in the last annual report, were completed and placed into service during the year and have since been working with very satisfactory results.

The Directors have demonstrated their confidence in the future growth of Toronto and suburban territory and in the continued development in the use of gas, by proceeding during the year with a large programme of mains construction. The principal extensions to the distribution system consisted of the laying of gas mains along the Lake Shore Highway through the Township of Toronto to the westerly limit of the Village of Port Credit, and on Yonge Street through Lansing and Willowdale and northerly as far as Steele's Corners. The demand for gas in the districts to be served from these mains has been most gratifying.

There were constructed during the year 43 miles of gas mains varying in size from 2 inches to 16 inches in diameter. In prosecuting this work the Directors have been able to make a material contribution toward relieving the local unemployment situation, not only by the payment of wages directly to the Company's own employees, but also by the placing of large orders for the materials and equipment used in the construction, thereby providing work for many workmen in foundries and workshops in Toronto.

The total amount paid in wages and salaries for the year was $2,232,222.00.

Upon the presentation of the National Budget on June 1st, 1931, the Company was confronted with increases in some of the uncontrollable items of its expenditures. The Customs Duty payable on gas coal imported from United States was increased from 50 cents to 75 cents per net ton. An excise tax of 1% on all imports was established and the sales tax raised from one per cent to four per cent. These provisions, together with the increase in the rate of Income Tax on Corporations from 8 per cent. to 10 per cent., have had the effect of adding to the operating expenses an amount of approximately $140,000.00 per year.

The continued increase in the amount of Dominion, Provincial, and Municipal Taxation is rapidly becoming a considerable burden upon the operations of the Company. Taxes for the year amounted to $486,159.43, which sum represents eight and one quarter cents for each 1,000 cubic feet of gas sold, or the collection of nearly $3.00 per year from each customer served by the Company.

The manufacturing plants, distribution system and other properties of the Company have been carefully maintained in good physical condition throughout the year.

The sales of gas appliances by the Commercial Department have been very satisfactory in volume though somewhat below the sales of the preceding year. As in the past a large part of the activities of this department has been devoted to promoting the use of gas for domestic, commercial and industrial purposes, and much work has been done which will undoubtedly result in increased demands for gas, upon the return of normal business conditions.

The Home Service Department has continued to render an important service to the homemakers of Toronto by demonstrating better methods for the utilization of gas in the home. The attendance at the lectures each week now totals more than 1,600.

The following statement for the past year as compared with the preceding one, shows:—

	Meters	Gas Sales
Year ended September 30th, 1931	170,830	$5,864,352.37
Year ended September 30th, 1930	168,803	6,037,442.65
Increase	2,027	
*Decrease		$173,090.28

*Price of gas reduced on April 21st, 1931.

All of which is respectfully submitted.

A. W. AUSTIN,
President.

STATEMENT OF INCOME AND PROFIT AND LOSS
For Year Ended September 30th, 1931

Gross Earnings:		
Gas Sales	$5,864,352.37	
Residuals Produced	1,719,185.02	
Merchandise Sold	396,932.90	
Miscellaneous Revenue	13,833.46	
		$7,994,303.75
Production, Distribution and Administration Expenses and Taxes		5,803,662.68
Net Earnings		$2,190,641.07
Interest Earnings		90,381.68
		$2,281,022.75
Special Surplus Account, October 1, 1930		284,602.49
		$2,565,625.24
Dividends	$1,325,000.00	
Plant and Buildings Renewal Fund	1,013,811.63	
		2,338,811.63
Special Surplus Account, September 30th, 1931		$ 226,813.61

BALANCE SHEET OF THE CONSUMERS' GAS COMPANY OF TORONTO
September 30th, 1931

LIABILITIES

Capital Stock		$13,250,000.00
Reserve Fund:		
Authorized under Act of 1887	$1,000,000.00	
Premium on Capital Stock	6,591,554.95	
		7,591,554.95
Special Surplus Account		226,813.61
Plant and Building Renewal Fund:		
Amount at Credit Oct. 1, 1930	2,301,535.11	
Less Repairs and Renewals	801,161.78	
	$1,500,373.33	
Appropriation from Earnings, Authorized by Statute	1,013,811.63	
		2,514,184.96
Reserved for Dividend No. 326		331,250.00
Provision for Exchange and Dominion Government and other Taxation		118,788.36
Bank Advance		485,282.98
Sundry Accounts Payable		365,727.78
		$24,883,602.64

ASSETS

Real Estate, Plant and Equipment	$21,116,731.75
Other Investments	1,960,663.77
Materials and Supplies	986,483.54
Cash in Bank and Offices	10,100.00
Accounts Receivable, after making provision for Doubtful Accounts	678,552.14
Interest Accrued, not due	39,220.03
Prepaid Taxes and Insurance	91,851.41
	$24,883,602.64

Approved on behalf of the Board of Directors.

A. W. AUSTIN, President. ARTHUR HEWITT, Vice-President and General Manager.

We have audited the accounts and vouchers of The Consumers' Gas Company of Toronto, for the year ended September 30th, 1931. Our requirements as Auditors have been complied with and in our opinion the above Balance Sheet sets forth a correct statement of the Company's affairs as shown by its books.

(Signed) W. E. SAMPSON, I.P.A.; EDMOND GUNN, F.C.A. } Auditors.

TORONTO, 28th October, 1931.

The following gentlemen were elected Directors for the ensuing year: A. R. Auld, Esq.; T. Bradshaw, Esq.; A. H. Campbell, Esq.; L. Goldman, Esq.; Arthur Hewitt, Esq.; Col. J. F. Michie; F. G. Osler, Esq.; T. H. Wood, Esq.

At a meeting of the Board held subsequently, Mr. A. W. Austin and Mr. Arthur Hewitt were re-elected President and Vice-President, respectively.

Insurance for Buyer and Seller

GREAT WEST LIFE REVISES ONTARIO AGENCY SET-UP

Ontario Agency New Unit Under T. Milton Taylor, Supervisor

STRONG IN EAST

Company Has 60 Per Cent of Total Business East of Manitoba—Assets Analyzed

By Staff Editor

WINNIPEG.—Announcement of an important reorganization of the entire Ontario agency set-up of Great West Life Assurance Co. whereby that territory now becomes a separate one with its own supervisor, marks an important forward step in the history of one of Canada's oldest and biggest life insurance institutions.

Reorganization plans affect the Toronto agency, and the districts of Ottawa, Hamilton, London and Windsor, which agencies will function, from December 1, as branch offices of the company.

Various changes in staff appointments have been announced in connection with the new set-up. T. Milton Taylor, Ontario manager, will become supervisor of Ontario agencies; D. O. Hubbell, assistant manager, will become manager of the Toronto branch; G. C. Stevenson will become branch manager for Ottawa, which branch will handle its own collections. G. D. Woodcock will be manager for Hamilton branch, F. S. Fulthorp, manager for London Branch, and A. B. McIntyre, manager for Windsor branch. All are experienced in agency work, having had years of experience in the field and having proven their ability as managers in the development of the several districts under their direction.

Although having its head office in Winnipeg and having a name which leaves no doubt as to where the company had its genesis, Great West Life has become far more than a Western Canada institution in recent years.

How Business Divided

It may come as a surprise to many—even including the company's own policyholders—that at the present time, according to figures given The Financial Post by C. C. Ferguson, general manager of the company, over 58 per cent of the company's total Canadian business in force (excluding reassurances) is in the five provinces east of Manitoba, while on the basis of business issued in 1930 nearly 60 per cent was from these five provinces. Over half the company's total Canadian business, both in force and on an "issued 1930" basis, is in the two provinces of Ontario and Quebec.

The following table prepared by the company for The Financial Post shows clearly the national character of the company.

Distribution of Great West Business

	Bus. Issued 1930	Bus. in force (Dec. 31, 1930)
B. C.	$3,652,600	$45,127,800
Alberta	2,533,600	39,076,200
Sask.	5,951,300	61,967,000
Manitoba	7,006,800	63,030,800
Ontario	15,281,800	129,109,300
Quebec	12,763,600	128,958,800
Nova Scotia	1,454,700	19,452,300
New Brunswick	1,861,300	14,495,200
P. E. I.	454,600	4,637,700
Total Canadian*	$54,033,900	$505,876,300
U.S. business	......	75,406,000

* Excluding reassurances.

Investments Well Situated

Another point of considerable interest touched on by Mr. Ferguson was in regard to the company's investments. Published analyses of the company's investments show that the total amount of mortgages held by the company represented 44 per cent of ledger assets as at the end of 1930. Less than 45 per cent of this total is in farm mortgages, according to Mr. Ferguson, the division as between total assets being: 24 per cent in mortgages on urban properties; and 20 per cent of total assets in farm mortgages.

Practically no new rural mortgages have been taken on by the company in the past two or three years, the most important change in the relative holdings of investments by the company being in bonds, other than government and municipal, which now form approximately 10 per cent of the company's total assets as against less than 4 per cent in 1925.

In addition to its Canadian business, it will be noticed in the table reproduced above that the company has over $75,000,000 of business in force in the United States. The company has been doing business in North Dakota, Minnesota, Michigan and Illinois and last July was licensed in the State of Washington.

Metropolitan Head

HARRY D. WRIGHT
Newly appointed third vice-president and manager for Canada of the Metropolitan Life Insurance Co., who has arrived to take up his duties at the company's Ottawa headquarters.

Committee Submits Draft Of Auto Insurance Bill

Interim report of the special committee on automobile law legislation, appointed at the Winnipeg conference of Insurance Superintendents in September to prepare a draft bill relating to automobile insurance, has been issued by R. Leighton Foster, secretary to the Association of Superintendents of Insurance. Final report will be issued as soon after November 20 as possible, up to which time suggestions and revisions have been invited from insurance counsel and underwriters.

The draft bill is in the form of a self-contained statute entitled: "The Automobile Insurance Act," having been so prepared in order to be enacted as a separate statute by those provinces which have not codified their insurance laws in one general act.

The purpose and effect of the new bill is to incorporate new and uniform principles in the law of automobile insurance contracts in so far as they relate to third party liability, that is, public liability and property damage, such being deemed vital to the scheme of safety-responsibility legislation.

Seeks Release of Securities

International Insurance Co., Ltd., which was put in liquidation pursuant to the judgment in the Montreal Superior Court, is applying, through its liquidators for a release of February 7, 1932, of securities deposited with the provincial treasurer of Quebec.

WAWANESA FIRE WILL TAKE OVER ONTARIO MUTUAL

Sydenham Mutual to Be Absorbed By Big Western Concern

Arrangements have been completed whereby the Wawanesa Mutual Fire Insurance Co., of Wawanesa, Man., will re-insure all the risks and take over the business of the Sydenham Mutual Fire Insurance Co., according to a recent announcement made by the latter company.

The reason given for this amalgamation is that during the last two or three years, Sydenham's losses have been exceptionally heavy, necessitating a special assessment this year. The directors of the Sydenham Mutual decided upon this step, after having it under consideration for some time, as being in the best interests of the policyholders, little hope being seen for any rapid improvement in conditions.

The Wawanesa Mutual, formerly operating under a Manitoba license, was incorporated under Dominion charter in May, 1929, and is the largest mutual company in Canada, having more business in the Dominion than any other Canadian stock or mutual company. As at December 31, 1930, it had insurance in force totalling $193,438,800, and reserves for protection of policyholders of upward of $2,800,000. Its business has been built up largely on farm mortgages in the western provinces where it has been operating over 30 years. It is now writing fire and automobile insurance in Ontario and Quebec.

From C. M. Vanstone, managing director, The Financial Post learns that the company is enjoying a successful year. Results from Ontario have been satisfactory while collections in Western Canada are running around 60 per cent as compared with about 65 per cent under normal conditions.

The Sydenham Mutual, which operates under an Ontario license, was established in Owen Sound in 1869. As at December 31, 1930, the company had total assets amounting to $962,615, including unassessed premium note capital of $902,873. At that date there were 12,246 policies in force for a net amount of risk exceeding $35,800,000, on which the premium income, including cash payments and installments plus reinsurance, amounted to $127,013.

A special meeting of policyholders has been called by the Sydenham Mutual for November 24 in Owen Sound, and subject to ratifications of the agreement entered into between the directors of the two companies, the Wawanesa Company will assume control as of December 31 next, when all then existing policies will be taken over. The offices of the Sydenham Mutual in Owen Sound will be maintained, and will be known as the Sydenham Mutual branch of the Wawanesa.

Licenses Issued

Department of Insurance, Ottawa, announces the following licenses issued:

Lumbermen's Mutual Fire Insurance Co. is authorized to transact in Canada fire, sprinkler leakage, tornado, explosion of natural or other gas, and hail insurance (latter excepts growing crops). E. D. Hardy, Ottawa, is the company's Canadian chief agent.

Pan-American Life Insurance Co. is authorized to transact in Canada the business of life insurance. V. R. Smith, Toronto, has been appointed Canadian chief agent.

Prudential Assurance Co. Ltd.—Explosion insurance, in addition to the classes for which it is already licensed.

General Fire Insurance Co. of Paris — Sprinkler leakage insurance, in addition to the classes for which it is already licensed.

The Yang-Tsze Insurance Association, Ltd., has announced its withdrawal from the province of Alberta as from September 1, 1931. All outstanding business has been re-insured with the Pacific American Fire Insurance Co.

Laurentian Underwriters' Agency has been granted a license by the province of Alberta, and is authorized to transact fire and automobile insurance as from September 22, 1931.

Department of Insurance, Ottawa, announces the following:

Guildhall Insurance Co. Ltd.—License extended to include burglary insurance.

British Northwestern Fire Insurance Co.—License extended to include burglary insurance.

County Fire Insurance Co. of Philadelphia.—License granted to transact in Canada fire, explosion, inland transportation, sprinkler leakage, tornado. earthquake and automobile insurance. H. C. Bourne, Montreal, is chief Canadian agent.

Great American Indemnity Co.—Licensed to transact plate-glass and automobile insurance, excluding loss or damage by fire or transportation. H. C. Bourne, Montreal, is company's chief Canadian agent.

Norwich Union Fire Insurance Society, Ltd. has been granted a certificate of registration by the province of Quebec permitting it to transact, within the province, inland and ocean marine insurance, with effect as from April 1, 1931.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Continental Casualty

Please give us your opinion as to whether the Continental Casualty Company, which features automobile accident insurance, is safe to insure with.

Continental Casualty Co. of Toronto, has been writing business in Canada under a Dominion license since 1917. Its head office for Canada is at Toronto, while its principal home office is in Indiana.

Net admitted assets in Canada according to the latest available governmental statement, were nearly $600,000, of which $490,000 was on deposit with the Receiver General and held solely for the protection of Canadian policy holders. This company had a premium income of nearly $750,000 in 1930 which ranks it as one of the leading casualty companies in Canada, from the point of view of premium income. The fact that it is licensed under the Dominion Insurance Department at Ottawa is perhaps the best guarantee that it is a safe company with which to insure.

Educators Beneficial

Will you kindly advise me if an insurance company called Educators Beneficial Association of Lancaster, Pa., U. S. A., is licensed to do business in Canada and if it is a safe company to insure in.

According to our records, we can find no trace of the Educators Beneficial Association of Lancaster, Pa., U.S.A. as being licensed under either the federal or provincial governments in Canada.

Accordingly, we would advise your client to be very careful before entering into any contract with a firm not licensed to do business in Canada.

Dominion Seeks Revision of Hudson Bay Insurance

Formal application has been made by the Dominion Government to the Imperial Shipping Committee for downward revision of the marine insurance rates in connection with the Hudson Bay route on the strength of the successful test shiploads of wheat which were carried out from Churchill this fall, according to a statement made recently by Hon. R. J. Manion, minister of railways.

The rates, instituted by the Committee last spring, are considered to have been high considering the season prescribed. which only covered about six weeks.

Canadian Institute to Enlarge Programme

Insurance education for those engaged in the business in smaller towns is the aim of the Canadian Institute of Insurance, Winnipeg, which this year offers three courses by correspondence. This institute began its work last season, conducting a first year fire course.

Three courses will be given this year: Part I—fire, part II—fire, and part I—casualty. The work is being sponsored by western insurance officials, the officers for this year being: president: E. P. Withrow, Dominion of Canada General Ins. Co.; vice-president, W. B. Lowry, Insurance Co. of North America; secretary, T. E. D. Boys, Western Canada Insurance Underwriters' Association; treasurer, C. R. Francis, Canadian Fire Insurance Co.

C. L. U. Syllabus Announced 3-Year Basis Established

Institute of Chartered Life Underwriters announce that the syllabus for the 1932 classes is now ready and copies are obtainable from the office of the Life Underwriters' Association. No drastic changes have been made, although the establishment of examinations on a definite three-year basis has made possible some modifications.

Among these, a paper on English has been included in the first year examination. Further, the subjects, fundamentals and life insurance law, will be completed in the first two years. Other subjects will replace these in 1932 third-year examinations.

Insurance Inklings

R. B. VALLEAU, formerly agency supervisor of the Dominion Life Assurance Co. for the province of Alberta. has been promoted branch manager, with headquarters at Calgary. Albert Ross, former branch manager, has been transferred to Halifax.

FREDERICK G. PYLE, Excelsior Life Co., has been appointed city manager at Vancouver, B.C.

Pilot Insurance Co.'s branch at Hamilton has been removed to the Sun Life Building. W. D. Connor remains inspector-in-charge at this office.

Empire Life Profits Up

Empire Life Insurance Co. reports profits for the first ten months of the year of $275,663 as compared with $173,054 for the same period in 1930. This has been due to a large extent to a decline in expenses, including claims, which dropped from last year's figure of $323,198 to $227,158. Income was higher by something over one per cent at $502,821 for the period.

Absorbs Royal Templars Limited

Independent Order of Foresters, having taken over the Royal Templars of Temperance Mutual Society, are requesting the provincial treasurer of Quebec to refund by January 26, 1933, the deposit of the Royal Templars at present held by the department.

Current Events in Banking World

BANKING SYSTEM HIGHLY PRAISED BY U.S. SURVEY

Standard Statistics Eulogizes Conservatism and Public Attitude

High tribute to the Canadian banking system was paid last week by Standard Statistics of New York, which considers the sound banking structure of the Dominion one of the most vital reasons for the internal strength and long-term outlook of business in this country.

Particular stress is laid on the confidence which Canadians have in the chartered bank system, this being considered by far the most important factor in the situation.

The review states:

"One of the outstanding favorable features in the economic structure of the Dominion is the sound banking situation. It seems likely (barring undue prolongation of the current depression) that no serious bank failures will be witnessed. In fact, only one such failure has been reported for several years.

Conservative Management

"Responsibility for the attainment of this enviable position can be traced to the extreme conservation practised during the more prosperous years of recent history. Undoubtedly, certain losses must necessarily be taken, but for the most part, loans, even on unsatisfactory situations, are well secured. It is important to note that Canadian chartered banks are not permitted to loan money on real estate mortgages, and hence, are free from the undeniable conditions prevailing in that field.

"We understand that the leading Canadian banks are not heavily committed in the western provinces, thus they are not directly sharing the adversities of the wheat producers. Rather, the greater part of their loans are in the more diversified Maritime Provinces. Of course, large advances are made for the financing and movement of the wheat crop, but such loans represent a normal seasonal credit extension, and are of a comparatively liquid nature.

Public Confidence Stressed

"By far the most important factor in the situation, however, is the public confidence in the banks. Threats of ruination of sound institutions, because of unreasonable demands of a panic-stricken public, are entirely lacking. Every attempt is being made toward the preservation of this confidence, through the development of a highly liquid position. Not only are the Canadian banks in a position to materially aid in absorbing the shock of the present economic repercussions, but they will be able to extend maximum credit of the Dominion's industry when conditions warrant such expansion."

Currency Certificates Now Signable Here

A modification of the Canadian ruling regarding currency certificates on goods imported from Great Britain, has been announced through the High Commissioner for Canada in London.

The ruling which was in force was to the effect that a currency certificate must be appended to all invoices and had to be signed by a British bank before being transmitted to Canada. The modification of this ruling allows that while a currency certificate is still required, it need not be signed by a British bank prior to the invoice leaving for Canada. It can now be appended to the invoice by the Canadian importer who can secure the signature of his own bank in Canada to the certificate in question.

In other words, although the certificate is still required it is now optional as to whether it is signed by a British or a Canadian bank.

Bank of Commerce Cuts Living Allowance

Important adjustments of living allowance throughout the entire system of the Canadian Bank of Commerce have recently gone into effect. No change in salary levels has been made but a scaling down of living allowances to bring these into line with the current level of commodity prices and the cost of living has been undertaken.

Although the change will affect all officers and officials of the bank receiving a living allowance the cut will not affect a great number of the bank's employees who receive only a straight salary.

CLASSIC VOLUME IS NOW UP-TO-DATE

Clare's Primer in New Form is Valuable Banking, Exchange Manual

A revised edition of Clare's well-known and authoritative "Money Market Primer and Key to the Exchanges," comes out at a most opportune time for those who desire to follow intelligently the present British financial position and its relation to the world situation. Apart from bringing the work up to date (July 1931) the editor, Mr. M. H. Magrah, has wisely retained as much as possible of the original, as it is a remarkable tribute to Mr. Clare's reasoning that the bulk of his principles remain true today.

The first part of the book is devoted to a comprehensive and interesting description of the operations and status of the Bank of England with particular reference to the Reserve and international gold movements.

This is followed by chapters dealing with the foreign exchanges, the open money market, bill discounting, and the operations of the London Stock Exchange.

The last portion of the book is most interesting, dealing as it does with the effect of the war on the money markets and exchanges of the world. Concluding with an interesting analysis of the Macmillan report.

The book since its first appearance forty years ago, has been a classic in financial literature and the new edition deserves a welcome by both old and new readers.

Published by Effingham Wilson, London. Price 6s. net.

Weekly Bank Clearings

Eastern Cities

	Nov. 13, 1930	Nov. 12, 1931
Halifax	$ 3,026,099	$ 2,126,884
Saint John	2,166,735	1,693,185
Moncton	830,499	598,385
Sherbrooke	755,017	575,411
Quebec	6,885,340	4,746,670
Montreal	118,967,515	92,649,942
Kingston	622,877	602,128
Peterboro	1,014,070	691,539
Toronto	94,197,766	74,852,426
Hamilton	4,583,470	3,681,505
Kitchener	1,043,768	760,705
Brantford	927,468	756,674
London	2,555,765	2,053,026
Chatham	570,464	598,786
Windsor	2,658,365	2,043,417
Sarnia	506,227	363,221
Sudbury	967,325	547,958
Ottawa	5,929,595	5,464,879

Western Cities

	Nov. 13, 1930	Nov. 12, 1931
Fort William	$ 755,534	$ 597,352
Winnipeg	43,351,979	50,342,252
Brandon	529,461	370,940
Regina	5,714,412	4,584,542
Moose Jaw	1,037,300	711,257
Saskatoon	2,064,703	1,876,895
Prince Albert	320,998	334,058
Edmonton	4,284,711	4,916,847
Calgary	8,783,516	6,385,365
Medicine Hat	508,381	224,593
Lethbridge	547,420	406,988
New Westminster	625,019	409,947
Vancouver	16,215,732	12,120,851
Victoria	1,991,384	1,486,943

MONEY REFORM NEEDED TO AID BUYING POWER

G. G. McGeer Believes Currency Increase Needed

Advocating the inflation of currency, G. G. McGeer, K.C., told the Vancouver Canadian Club recently that unless the monetary wealth of the consumer masses be increased in conformity with the advancing standard of living, the balancing of budgets can do nothing toward repairing the world's broken commercial machine.

Monetary reform, as advocated by the MacMillan Committee was necessary in Canada, contended Mr. McGeer. Our progress has so far been made by means of credit, the state never having used its power to create and circulate money to any appreciable extent up to the present time, other than for war purposes, and apart from the production of gold, this power has been delegated almost exclusively to the banks. Since 1920, he continued, money in circulation had actually decreased and the supply was inadequate.

Dominion notes, of which there were only $209,000,000 in circulation, would have amounted to $584,000,000 if the issue of them had continued to increase at the same rate as it had up to 1910. As it is, there are actually $90,000,000 less Dominion notes in circulation than there were in 1920.

Bank Deposits Also

Bank deposits reflected the same condition. Had they increased at the pre-war rate deposits would now be at least $4,800,000,000 instead of $2,500,000,000. The net increase, in spite of all the activity between 1920 and 1930, had been a mere $100,000,000. Mr. McGeer also pointed to gold reserves, of which there were 25 per cent less in existence in 1929 than there were in 1925.

While there was 20 per cent less real money in Canada in 1929 than there was in 1920, and 50 per cent less bank accounts and real money combined than there would have been had the pre-war rate of increase been continued, Canada's expenditure in interest on the national debt had increased from $12,000,000 in 1914 to $124,000,000 in 1929. This, together with the increased cost and higher standard of living, was quoted as evidence of the need for inflation.

"In an advancing civilization where the prosperity of the day depends upon the anticipation of the increasing trade of tomorrow the rate of progress and ability to pay taxes is controlled to the extent to which the purchasing power of the consumer is increased," said Mr. McGeer. "So long as monetary wealth increased prosperity continued; when monetary wealth declined progress collapsed. When civilization is advancing and liberty is expanding, taxes increase if credit is used instead of state money. In time this is bound to end in economic disaster.

"The purchasing power of the world has been dried up or, as some like to express it, frozen by:

1. The reduction in the existing volume of money by the return to the gold standard.
2. The centralizing and accumulating force of interest and profits. According to Keynes, post war interest rates are 50 per cent higher than they were in the pre-war period, and profits have increased proportionately.
3. The expenditure involved in maintaining an advancing standard of living.

"Any one of these forces would have been sufficient in time to have transferred the whole of the purchasing power extant from the consuming masses to the possession of the money lending and entre-preneur classes.

"The three working together have in less than nine years transposed sufficient to cause a collapse of the world's commercial machine."

JACKSON DODDS NOW VICE-PRESIDENT

Bank of Montreal Official Elected By Bankers' Association

Jackson Dodds

Routine matters only were discussed at the annual meeting of the Canadian Bankers' Association, held in Montreal last week, according to those who attended this annual conclave. The only announcement made public after the meeting was the annual address of the retiring president, Beaudry Leman, general manager of the Banque Canadienne Nationale, and the list of new officers or vice-presidents for 1931-32. The only addition to the list of four vice-presidents was the election as vice-president of Jackson Dodds, general manager of the Bank of Montreal.

S. H. Logan, general manager of the Canadian Bank of Commerce becomes first vice-president of the association, followed by Morris W. Wilson general manager of the Royal Bank and H. B. Henwood, general manager of the Bank of Toronto.

Henry W. Ross, permanent secretary of the association now moves his office to Toronto and will arrive in about ten days' time it is understood. It is the custom of the bankers to maintain the head office of the association in the city where the president of the association resides.

PLANNING YOUR ESTATE

CHARTERED TRUST AND EXECUTOR COMPANY believes you owe it to your family to obtain expert advice in planning your estate. Without such advice it may be that your family will not have the protection you anticipate. Ask your Insurance Advisor how that protection can be guaranteed—he has a fundamental knowledge of estate problems.

The services of Chartered Trust and Executor Company are always available to you.

CHARTERED TRUST AND EXECUTOR COMPANY
34 King St. West, Toronto 2
132 St. James St. West, Montreal, Que.
President: JAMES Y. MURDOCH, K.C.
Vice-Presidents: W. S. MORDEN, K.C. JOHN J. GIBSON and Gen. Mgr.
Secretary: E. W. McNEILL

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
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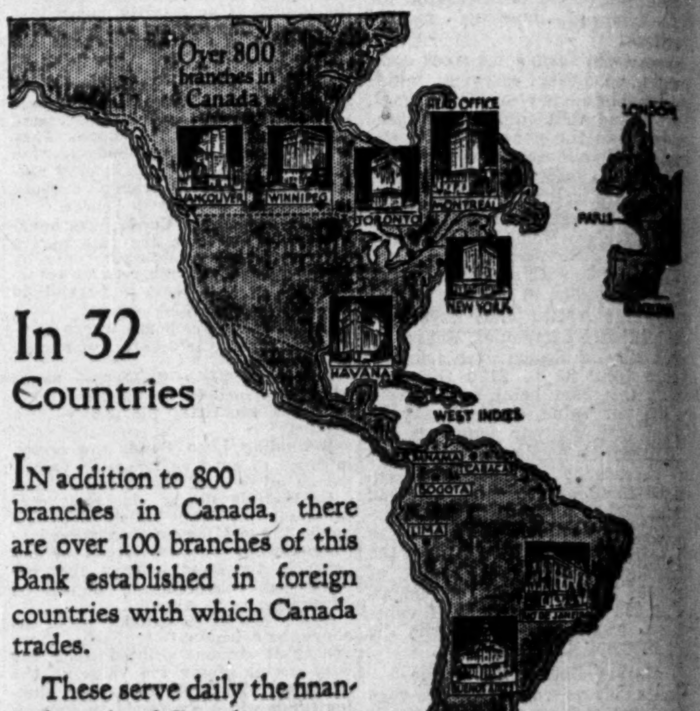

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Canadian Pulp and Paper Industry

INTER. PAPER CO. WILL SEGREGATE POWER HOLDINGS

Several Advantages to be Gained From Such a Course

From Our Own Correspondent

MONTREAL.—Ultimate transfer of subtantially all of International Paper Company's water power properties in the United States, valued at around $35,000,000 to the International Hydro-Electric System, is foreshadowed in a programme to be submitted for approval of stockholders at a special meeting of the company called for December 5 next. Both companies are subsidiaries of International Paper and Power Co.

As an initial step, it is proposed that the directly owned properties, with minor exceptions, be transferred to subsidiary companies, all the stock of which will be controlled by International Paper Company. The company's interest in the properties will not be diminished by these transfers, but its ownership will be changed from a direct to an indirect one.

Will Facilitate Plan

These transfers will facilitate consummation of the paper company's announced policy of ultimately segregating all its power properties under the control of International Hydro-Electric System. It was in accordance with this policy that International Paper and Power Company was formed in 1928, and that International Hydro-Electric System was formed in 1929 and acquired from the paper company the shares of New England Power Association and of Canadian Hydro-Electric Corporation, Limited, which the paper company then controlled.

Arrangements for the acquisition by International Hydro-Electric System of control of the water powers to be segregated not been completed nor have the terms as yet been settled by the respective boards of directors. The matter is, however, under consideration and an independent firm of engineers has been retained by the system and is reporting to it upon the transaction.

Reasons For Segregation

The segregation of all these power properties under the control of the system would permit, it is stated, their more efficient and economical development and their more ready financing of these properties, which would carry with them sufficient income in their present partially developed state to place them immediately on a self-supporting basis, would add approximately 450,000 horse-power to the potential hydro-electric capacity of the system.

The more important powers are located in the heart of the north-eastern super-power district and and within transmission distance of some of the largest industrial, commercial and residential markets in North America, including those served by the distribution properties of International Hydro-Electric System in New England. Through its holdings in the system, the paper company would retain a substantial interest in all these power properties. These holdings comprise all the Class B stock and thirty per cent of the common stock of the system, the remaining seventy per cent of the common stock of the system being owned by International Paper and Power Company.

The 450,000 h.p. of water powers being transferred has a potential output of over 1,300,000 kilowatt hours a year. Of this, 70,000 h.p. is already developed in modern hydro-electric plants having an annual output of 250,000,000 kilowatt hours which is sold to large industrial users and to public utility companies for distribution in adjacent areas. Among the more important public utility customers are operating subsidiaries of Niagara-Hudson Power Corporation and Associated Gas and Electric Company and local companies serving Ticconderoga and Corinth, N.Y.

The powers concentrated on the Hudson River above Albany are the most important of the entire group. These have an aggregate potential capacity of more than 250,000 h.p. with an usable output of over 500,000,000 kilowatt hours a year. The completion last year of the Sacandaga storage reservoir with a total storage capacity of 38,000,000,000 cubic feet has resulted in increasing the minimum flow of the Hudson River in this section from 750 cubic feet per second to 3,000 cubic feet per second. In other words, it has multiplied by four the firm power potentially available.

International's Hudson River Powers, together with those controlled by Niagara-Hudson, represent about 87 per cent of the total power available on the Hudson River below Sacandaga, Niagara-Hudson controlling about 47 per cent and International about 40 per cent. Completion of the storage reservoir has made development of this stretch of the river particularly attractive.

The inception of the paper company's policy of segregating its water powers was indicated in the mortgage securing its 6 per cent refunding bonds issued in 1925. This mortgage expressly provides for the release of the directly owned water powers of the paper company to a directly or indirectly owned subsidiary (the stock of the directly owned subsidiary to be pledged under the mortgage), and specifies the conditions under which the assets of the direct or indirect subsidiary may be sold. The plant to be laid before the stock contemplates a release of these properties from the refunding mortgage, most of them under the foregoing provision. The lien of the first and refunding mortgage, securing the 5 per cent gold bonds of the paper company, will remain unchanged on the Hudson River powers and on all the other powers, except three properties in New Hamshire and Vermont for which other property will be substituted. The plan contemplates, moreover, that the company acquiring the properties, except the three last mentioned, will assume payment of the principal, interest and sinking fund of these 5 per cent bonds.

Newsprint Trade On Easier Scale

From Our Own Correspondent

MONTREAL. — Canadian Newsprint exports in the first nine months of 1931 show a decrease of approximately 227,500 tons under that reported for the corresponding period of 1930, according to records compiled by the Canadian Pulp and Paper Association.

In comparing returns, it is noted that shipments show a decline to the United Kingdom, Cuba, Jamaica, Argentina, South Africa, Australia, New Zealand and United States. Efforts to increase trade in other markets are seen in larger exports to other Latin-American countries, and to miscellaneous markets. Full particulars of exports follow:

	Nine Months Tons 1931	1930
Un. Kingdom	77,154	109,116
Cuba	4,869	7,300
Jamaica	763	873
Argentina	36,775	52,886
Other Latin Cts.	9,298	3,724
South Africa	11,058	12,871
Australia	21,520	36,278
New Zealand	11,437	16,370
All other	17,353	4,273
Total overseas	190,227	243,691
U. S. A.	1,313,994	1,487,900
Grand total	1,504,221	1,731,591

FOREST FIRES FEWER THIS YEAR

New Brunswick Reports Small Loss For 1931

From Our Own Correspondent

MONTREAL.—Forest fire losses in New Brunswick this year were unusually low and amounted to $7,621, with $430 additional for buildings and $195 for forest products.

According to returns received by the Minister of Lands and Mines, the total burned area amounted to $3,537 acres, which may be divided into 1,256 private lands and 2,281 Crown lands. From a commercial standpoint, the 3,537 may be reduced to 2,380, the remaining 1,157 acres not having been covered with forest lands.

Spring is Hazardous

The number of fires by months showed that as usual April and May with 80 and 43 fires, respectively, were the most hazardous. June, with 16, July with 26, and August with 25, show that considerable hazards occurred throughout the summer. In fact, over three-quarters of the fire-fighting costs occurred in the month of August. September and October had three fires each.

In a summary of forest fire losses compiled for 1931, the chief forester gives the following figures:

Of the 196 fires, 35 occurred on or threatened Crown lands; 115 were no cost fires occurring chiefly on granted or private land; 46 fires occurred along railway lines doing little or no damage. In regard to damage, of the 196 fires, 27 did no damage whatever; 67 others did no damage to forest growth, being confined to barren or muskeg, non-producing land; damage to forest growth was confined to 102 fires.

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B.C. PULP DEFERS DISBURSEMENT ON PREFERRED

Reflects Difficult Conditions Obtaining in Pulp Market

From Our Own Correspondent

MONTREAL.—Directors of British Columbia Pulp and Paper Co. have omitted payment of dividends on the company's 7 per cent preferred stock, of which there is $556,200 outstanding. The dividend, which is cumulative, was payable on November 1.

Though no figures have been released on earnings, it may be assumed they have fallen below last year's level. In 1930 the preferred dividend was covered by a relatively small margin, earnings, after all charges, totalling $41,216 or the equivalent of $7.51 a share on the preferred.

Given for Interest Arrears

The preferred stock of B. C. Pulp and Paper was given to the original first mortgage bondholders of the Whalen Pulp and Paper Mills in lieu of arrears of interest, which totalled two and a half years at November 1, 1925. For each $1,000 of first mortgage bonds of the Whalen Pulp and Paper Mills Ltd., including over-due interest, there were issued $1,000 of 6 per cent first mortgage bonds and $150 of preferred stock of the British Columbia Pulp and Paper Co.

Since its formation in 1926, B. C. Pulp and Paper has earned its preferred dividend requirements each year but the unsatisfactory condition of the pulp market evidently found a more marked reflection in earnings during 1931. The company confines its activity to the manufacture of easy bleaching and bleached sulphite pulp.

Operations are carried on at two mills, located at Woodfibre and Port Alice, B.C. The former has a daily output of 110 tons of easy bleaching sulphite pulp and the Port Alice unit is capable of producing 100 tons of bleached sulphite pulp daily.

Made Capital Outlay

Over the last two years expenditures on capital account have been made with a view to consolidating the various operating units and to modernize equipment. The principal improvement has been the installation of the largest barking and shipping plant in the world, which will allow of a more complete utilization of the logs brought to the mill. A new storage dam has been erected, improving the power supply as well as providing additional energy required in connection with the manufacturing of sulphite pulp.

This barker at the Port Alice plant is capable of handling logs ten feet long with a diameter up to 22 inches. Some difficulties were experienced in bringing this machine into production, but major problems have been ironed out and the machine is in daily use. The entire project was installed at a cost of about $100,000.

World Pulp Output Shows Steady Advance

From Our Own Correspondent

MONTREAL.—Production of chemical and mechanical woodpulp established a new high record in 1929, according to data appearing in the League of Nations Statistical Year Book 1930-31 and reprinted in part by the Newsprint Service Bureau.

The world production of chemical and mechanical pulp, during the years 1923 to 1929 is figured as follows, in tons of thousand kilos (dry weight):

	Pulp Production Tons Chemical	Mechanical
1923	6,102,000	4,711,000
1924	6,600,000	5,180,000
1925	7,265,000	5,610,000
1926	7,991,000	6,171,000
1927	8,372,000	6,173,000
1928	8,548,000	6,495,000
1929	9,600,000	7,100,000

It will be seen that during this period, the world production of chemical woodpulp increased by 57 per cent and that of mechanical pulp by 51 per cent.

Paper Output Larger

Production of paper and cardboard showed an appreciable advance between 1926 and 1929, as will be seen from the following compilation showing output in tons of 1,000 kilos:

	Tons Paper	Cardboard
1926	13,810,000	3,750,000
1927	14,440,000	3,840,000
1928	14,980,000	4,140,000
1929	16,515,000	4,485,000

World production of paper increased 19.6 per cent from 1926 to 1929 inclusive, and that of cardboard also 19.6 per cent. Comparatively the production of chemical pulp increased 20 per cent in the same period and that of mechanical pulp 15 per cent.

Newfoundland Woods Operations Restricted

From Our Own Correspondent

MONTREAL. — Despatches from Newfoundland state that a curtailment has taken place in the woods operations at Deer Lake. The contractors are reported as stating that the amount of wood agreed to be cut has been reduced 20 per cent and the price of wood, which was already very low, has been further reduced.

Contractors will now have their cut finished much earlier than anticipated, a situation which is disappointing to the loggers, who have been anticipating a full season of operations.

Maritime Pulpwood Cut Late This Season

From Our Own Correspondent

MONTREAL.—A late start is anticipated for the pulpwood cut in New Brunswick and Nova Scotia this winter, according to returns received by the Royal Bank of Canada. A few contracts being let, and operations are only now getting under way, whereas the cutting season in former years began in September. The larger paper companies plan a limited cut of pulpwood for their principal mills, but many contractors anticipate no activity at all for the coming season. Moderation in the winter's cutting programme is expected to place the industry in a stronger position for the coming year.

Canada Power Extends Security Deposit Date

From Our Own Correspondent

MONTREAL.—Securities Protective Committee of Canada Power and Paper Corp. and its subsidiaries has extended the time for receiving deposits under the reorganization plan up to December 31, 1931.

This extension of time is made primarily to permit of uniformity of method as far as possible in the distribution of new securities and shares if and when issued under the reorganization plan.

United States Buying More European Paper

Canada's Exports of Newsprint to States Off 16 Per Cent But European Imports Gain 18 Per Cent According to Trade Returns

MONTREAL.—"All is not gold that glitters." This is the apt way in which one Canadian newsprint manufacturer describes the present market situation in the United States. Though demand for newsprint this year has been on a lower scale than in 1930, it was suggested that the loss in business would be made up by the premium on New York funds, which the Canadian producers receive on sales made, in the States.

This line of reasoning is likely to be somewhat misleading for the simple reason that while Canadian funds have depreciated in value, the decline in currency values of those European countries exporting newsprint to the United States has been even greater. Scandinavian producers have not been slow to take advantage of the situation and trade returns clearly show that they are securing a larger share of the American newsprint market.

Imports Are Lower

During the first nine months of 1930, the United States imported 1,679,610 tons of newsprint from all countries, according to a table published by the Newsprint Service Bureau. For the corresponding period this year imports have declined to 1,542,361 tons.

In the current period imports from Canada declined approximately 160,000 tons. Newfoundland purchases were a trifle larger, while European buying showed an increase from 97,034 tons to 114,467 tons. This is clearly shown in the following table:

	Nine Months Tons 1931	1930
Finland	37,183	31,420
Germany	16,723	9,422
Norway	9,828	6,609
Sweden	50,698	49,583
Other countries	35	......
European total	114,467	97,034
Newfoundland	111,498	109,375
Canada	1,316,396	1,473,201
Total	1,542,361	1,679,610

Percentage Changes Marked

The above table does not tell the full story, however, as the increased shipments of European countries appear relatively small. That is true as far as tonnage is concerned, but the change in trend is more marked by comparing the imports for the first nine months of 1931 with the same period of 1930 on a percentage basis. This follows:

Percentage Change in Imports into United States Nine Months—1931

Finland	+18
Germany	+77
Norway	+48
Sweden	+2
Total European	+18
Newfoundland	+2
Canada	—16
All imports	—8.1

At Canada's Expense

The marked increase in Germany newsprint imports is one of the most interesting features of the nine months trade returns. Also the fact that European imports as a whole increased 18 per cent, while those from Canada decreased 16 per cent. In other words, the gain in business by the European manufacturers has been at the expense of Canada.

This development has been noted for some time and can be directly attributed to the past policies of the Canadian manufacturers in respect to the American market. Attempts to bolster prices and lack of appreciation of the problems faced by the American publishers have tended to antagonize the latter.

This policy has been changed over the past year, but the after effects have not passed away. The publishers have been placed at a disadvantage on more than one occasion, which has led to the widening of sources of supply and the lessening of dependency upon Canada for newsprint.

Price a Consideration

It is generally recognized that the quality of Canadian newsprint is superior to that imported from Europe, but price plays such an important consideration in the costs of some of the larger publishers, that quality has come to take second place.

With the adoption and enforcement of a more considerate policy on the part of the Canadian producers, the ground lost in the American market can be regained. It would appear for the time being, however, that further losses in business will be recorded before the upturn takes place.

North American Output Newsprint Paper to Date Below 1926 Production

From Our Own Correspondent

MONTREAL.—Newsprint production in North America, which is more or less synonymous with demand, continues on a scale lower than that prevailing in 1926. The Newsprint Service Bureau records a production of 3,085,461 tons in the first ten months of 1931, which figures compare with 3,457,658 tons in the same period of 1930.

It is significant to note, however, that production is running between the 1925 and 1926 levels. The extent to which output has depreciated from the high level of 1929 is apparent from the following compilation of returns for the past nine years:

North American Newsprint Production Ten Months

1931	3,085,461
1930	3,457,658
1929	3,632,316
1928	3,325,310
1927	3,138,329
1926	3,112,924
1925	2,598,354
1924	2,433,006
1923	2,368,999

Canadian Mills Slacker

Canadian mills operated at 55.1 per cent of rated capacity last monht, being the equivalent to an actual production of 184,252 tons. This is well under the figure reported for the same month in tne last five years, despite the increased capacity. It emphasizes more than ever that the capacity of newsprint mills both in this country and the United States is well in excess of current needs.

On the basis of output per day, returns for October this year are the third best on record. The operating ratio, however, continues low, being 12 per cent under that for October, 1930, as will be seen from the following summary of October operations going back to 1924:

October—Canadian

Oct.:	Rating per day	Output month	Output per day	%
1931	12,376	184,200	9,181	55.1
1930	11,820	213,800	9,960	67.0
1929	10,508	251,900	10,022	88.0
1928	9,897	216,600	8,696	81.1
1927	8,500	191,200	7,799	86.5
1926	6,618	168,500	6,477	97.9
1925	5,252	137,700	5,137	97.0
1924	4,871	113,200	4,157	85.3

Cumulative Output

For the first ten months of 1930 Canada produced 1,854,469 tons of newsprint. At the same time shipments aggregated 1,846,402 tons, or almost exactly counterbalancing production.

Restricted operations and shipments this year are well illustrated in the folowing compilation, based on returns to the Newsprint Service Bureau. It should be noted, however, that with the exception of 1930 and 1931, production and demand have generally moved upward from year to year. The last decline of any consequence took place in 1921. The tonnage involved was, of course, much smaller than in the present instance, but the percentage decline is about the same.

Canadian Newsprint Output January—October

	Output	Shipments
	Tons	
1931	1,854,469	1,846,402
1930	2,116,014	2,091,347
1929	2,243,582	2,233,273
1928	1,949,853	1,950,853
1927	1,710,220	1,688,708
1926	1,549,222	1,545,689
1925	1,252,902	1,252,858
1924	1,128,949	1,120,403
1923	1,058,463	1,044,907
1922	892,100	891,284
1921	655,590	651,186
1920	732,653	729,312

U. S. Mills Suffer

Conditions in the American newsprint industry are not unlike those in Canada. except that the decline has not been a matter of the past two years, but has been going on for the past ten or more years.

For the past month production in American mills totalled 97,117 tons, or 62.7 per cent of rated capacity. This is a lower production than that recorded for any other corresponding month since 1918.

Trend is Downward

In the first ten months of 1931 output amounted to 971,365. Shipments were about 120 tons less. The trend of production and shipments for the first ten months of each year since 1920 is set forth below:

U. S. Newsprint Output January—October

	Output	Shipments
	Tons	
1931	971,365	971,237
1930	1,090,592	1,075,205
1929	1,160,757	1,170,204
1928	1,170,017	1,153,359
1927	1,248,822	1,233,975
1926	1,401,988	1,400,513
1925	1,263,098	1,262,991
1924	1,240,205	1,235,168
1923	1,246,990	1,242,165
1922	1,200,301	1,204,490
1921	1,012,754	1,014,502
1920	1,264,118	1,256,891

Keep Stocks in Hand

Consequent upon the decline in production, operators have kept stocks on hand in check. Canadian mills reported a supply of 42,963 tons at the end of October last, a figure about 10,000 tons lower than on the same date last year, but above the average for the past five years.

American newsprint stocks on hand were proportionately larger, being 31,953 at the end of October, 1931, compared to 33,318 tons at the close of the same month last year.

Combined North American stocks of newsprint on hand at the end of October totalled 74,916 tons. This compared with 85,755 tons and 56,637 tons at the end of October, 1930, and 1929, respectively.

Newfoundland Leads

One of the bright spots in the bureau's report is the manner in which Newfoundland continues to report plant operations on a high scale. During October the Island's two mills operated at 101.2 per cent of rated capacity, representing an output of 26,614 tons.

Cumulative production for the first ten months of 1930 totals 246,482 tons, a new high all-time record for that period. During the same nine months of 1930 production amounted to 239,403 tons and in 1929 to 212,226 tons. It is interesting to note that in 1924 production amounted to only 54,272 tons in the ten months period, or the equivalent of about two months' production on the present operating basis.

Gen. J. B. White Elected to Senior Vice-President

From Our Own Correspondent

MONTREAL.—At a recent meeting of the board of directors of Canadian International Paper Co., Brig. Gen. J. B. White, D.S.O., was appointed first vice-president. Brig. Gen. White is vice-president of the N. B. Intd. Paper Co., vice-president of Gatineau Power Co., and a director of Canadian Hydro-Electric Corporation, Ltd.

Develop Sodium Sulphate

Extensive deposits of sodium sulphate are being developed at Whiteshore Lake, near Saskatoon. It is estimated that there are more than 20,000,000 tons of the mineral in the 1,800 acres of Whiteshore Lake and another 100,000,000 tons in other proven deposits in Saskatchewan. Sodium sulphate is being widely used in the metallurgical process of the Canadian copper and nickel industry and also in the manufacture of sulphite pulp, a percentage of which is necessary for making newsprint paper.

PULP PRODUCTION CONTINUES UNDER LAST YEAR'S MARK

Canadian and American Plants Operations Limited

From Our Own Correspondent

MONTREAL.—There has been a seasonal increase in the production of pulp in Canada and the United States, but compared to last year output continues on a lower scale, judging by returns tabulated by the Newsprint Service Bureau from figures supplied by the American Paper and Pulp Association and the Canadian Pulp and Paper Association.

During September last Canadian plants turned out 122,915 tons of groundwood compared to 131,503 in the same month last year and with 113,455 tons in August, 1931. For the nine months period this year production amounted to 1,034,385 tons, down from 1,211,816 in the corresponding period of 1930.

American Output Gains

Much the same situation exists in respect to American production, which totalled 62,998 tons in September, 1931, compared with 56,965 tons in the previous month and with 58,512 tons in September, 1930. Cumulative production this year totals 650,397 tons as against 778,991 tons a year ago.

Stocks of groundwood pulp in both the United States and Canada have been kept in check, totalling 74,516 tons at the end of September last. This compares with 79,549 tons on the same date a year ago.

Sulphite Demand Less

Sulphite pulp production follows much the same trend as for groundwood. Canada produced 33,194 tons in September, as against 30,548 tons in the preceding month and 51,736 tons for September, 1930. To date this year production amounts to 304,322 tons, a decrease of about 156,000 tons from the same period of 1930.

American production of sulphite last September amounted to 26,763 tons an increase over the 26,386 tons in the previous month, but a decrease compared to 29,978 tons in September last year. For the first nine months this year output amounted to 248,424 tons, a decrease of about 52,000 tons from a similar period in 1930.

The principal foreign market for Canadian pulp lies in the United States and trade returns of that government for the nine months ended September, 1931, and 1930 show smaller importations from Canada. Groundwood imports this year amounted to 124,576 compared to 182,360 tons in 1930. Sulphite imports are down from 303,039 tons in the first nine months of 1930 to 232,227 tons for the same period this year.

For the nine months of 1930 Canada shipped 59,407 tons of sulphate to the United States, but exports this year are less than half of that amount, totalling 26,709 tons.

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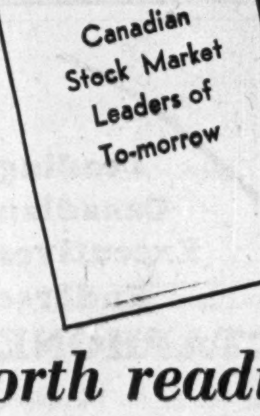
Laurentide Company Limited, Grand'Mere, Que.
Laurentide-Ottawa Company Limited, Pembroke, Ont.
Port Alfred Pulp and Paper Corporation, Port Alfred, Que.
Wayagamack Pulp and Paper Co. Ltd., Three Rivers, Que.

Head Office:
MONTREAL, QUEBEC



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Many investors ask The Financial Post how they are to choose the stocks that may prove to be the stock market leaders in the next period of rising prices. The Financial Post is an investment and not a speculators' paper and it does not attempt to pick stocks for market appreciation. But many common sense principles can be set down and applied to various stocks to determine which have substantial promise and great relative merit.
Without prejudice and without any claim to prophetic vision, The Financial Post recently published a series of articles on good Canadian stocks that seem to meet the most obvious tests that need to be applied to good securities. These articles are now reprinted in booklet form. The first chapter in the booklet outlines the record of some former leaders and tells why some disappeared and why some remained. It also discusses some essential tests. Further chapters discuss individual stocks. The list is given at the left. This booklet (48 pages and cover) is now available at 25c
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Steel of Canada
Dominion Stores
Loblaw's
Montreal Power
Noranda
B. A. Oil
Page-Hersey
B. C. Power
Imperial Oil
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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Stocks

WEEK ENDING NOVEMBER 16

Range 1931 High	Low	Divd. Rate in $	Yield in % Nov. 14		Sales	Close Nov. 9 (or last)	Week Ending —Nov. 16— High	Low	Close
13½	2½	.	...	Abitibi, c.	1830	5⅝	5½	4	4¼
50	7¾	.	...	Do. pref.	365	17	16	13½	13½
105	80	7	...	Do. pref.	....	80½	..	..	..
8	5½	.	...	Agnew Surp. c.	....	7½	..	..	..
88	83	7	8.4	Do. pref.	....	83	..	..	..
7½	2½	.	...	Alta. Pac. Gr.	70	7½	7½	6½	7
30	10½	.	...	Do. pref.	....	16	..	..	..
4	3	.	...	Amal. Electric	....	3	..	..	..
18	10	.	...	Do. pref.	....	10	..	..	..
3½	2½	25c	...	Anglo N. Hold.	....	3½	..	..	..
.50	.25	.	...	Asbestos	85	.25	.50	.25	.50
2.00	.45	.	...	Do. pref.	....	.50	..	..	..
9	5	60c	8	Assoc. Brew.	120	8	7½	7	7
70½	67	7	9.9	Do. pref.	....	70	..	..	..
10	4	.	...	Assoc. Can.	....	4	..	..	..
69	65	4+50	...	Assoc. Tele.	....	66	..	..	..
37½	12¾	.	...	Atlan. Sugar	50	22½	22½	22½	22½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Range 1931 High	Low	Divd. Rate in $	Yield in % Nov. 14		Sales	Close Nov. 9 (or last)	Week Ending —Nov. 16— High	Low	Close
23½	17	1.40+50	10.5	Hunt (A)	5	18	18	18	18
23½	18¼	1.40+50	10.2	Do. (B)	....	18½	..	..	..
150	143	8	5.5	Huron & E. M.	....	144	..	..	..
29¼	28	.	...	Do. 20% pd.	....	28	..	..	..
29⅞	13⅛	1.20	8.6	Hydro Electric	....	14	..	..	..
225	201	12	5.9	Imperial Bank	4	203	203	203	203
18⅞	8¾	50+50c	8.2	Imperial Oil	11678	13⅛	13⅜	12	12¾
10½	8⅛	35+20c	6.1	Imperial Tob.	2571	8⅞	9	8⅞	8⅞
80	80	8	...	Intercol. Coal p	....	80	..	..	..
29	13	2a	...	Int. Hyd. E(A)	....	13	..	..	..
103	92	7	6.9	Inter. Mill. pf.	60	100	101	100	100
80	80	6	7.5	Do. Series (A)	....	80	..	..	..
20½	8½	20c	1.79	Inter. Nickel	52007	13⅞	14	11	11½
10	5	.	...	Inter. Paints	....	5	..	..	..
b10½	1⅞	.	...	Int. Pa. & Pr. A	1300	4⅜	4½	4	4
b6	⅞	.	...	Do. (B)	100	1¾	1½	1½	1½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	...	...	West. C. Flour	120	10	10½	10	10½
96	75	6.50	8.7	Do. pref.	15	75	75	75	75
17	10	.	...	West. Grocers	....	10	..	..	..
55	40	7	17.5	Do. pref.	....	40	..	..	..
91	85	.	...	W. Steel Pr. p.	....	91	..	..	..
x9	9	.	...	Whittall Can.	....	..	..	..	..
13	10	.	...	Windsor Hotel	....	12	..	..	..
73	71	6.50	9.1	Do. pref.	....	71	..	..	..
21¼	4	.	...	Winnipeg Elec.	809	11	11	8¼	8¼
81½	49	7	14	Do. pref.	34	50	50	50	50
‡30	30	.	...	Woods Mfg.	....	..	..	..	..
40	36	.	...	Do. pref.	....	36	..	..	..
80	80	.	...	Wood Alex, J.p	....	80	..	..	..
x2½	1½	.	...	Zimmerknit	....	..	..	..	..
7	7	.	...	Do. pref.	....	7	..	..	..

x Quotations for 1930. No sales recorded in 1931 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1929.
c 2½c monthly plus stock dividend of ½ of 1% monthly.
d 4% in stock and 50c cash.
† Plus stock bonus.

Winnipeg Stock Exchange

November 12

	Bid	Ask
Beaver Fire	..	115
Beaver Lumber c.	..	5
Do., pref.	..	100
Can. Amer. Tr. shs.	...	4⅛
Can. Fire Ins.	...	85
Can. Indemnity	120	...
Crescent Creamery pfd.	..	90
Gt. West Life	..	*415
Home Investment	..	50
Monarch Life	..	30
Nor. Can. Mtge. pf.	15	...
Nor. Can. Mtge. c.	½	...
Un. Gr. Growers	10¼	..
West Breweries	2	2½

*Indicates broken lots.

Active Current Bond Prices

November 16, 1931

	Bid	Asked	Yield
Dominion of Canada 5½/33	100.50	102.50	4.20
Dominion of Canada 5½/34	100.50	102.50	4.75
Dominion of Canada 5/43	98.	100.	5.00
Dominion of Canada 4½/46	92.	94.	5.10
Dominion of Canada 4½/56	92.	94.	4.90
Dominion of Canada 4½/58	93.	95.	4.82
C. N. R. (Dom. of Can. Guar.) 5/54	98.	101.	4.90
C. N. R. (Dom. of Can. Guar.) 4½/51	92.	94.	4.95
C. N. R. (Dom. of Can. Guar.) 4½/55	95.	98.	4.90
C. N. R. (Dom. of Can. Guar.) 4½/56	92.	94.	4.90
C. N. R. (Dom. of Can. Guar.) 5/69	98.	101.	4.95
Province of Ontario 4½/44	94.	96.	4.95
Province of Ontario 5/48	98.	101.	4.90
Province of Ontario (Hydro) 4½/70	93.	96.	5.00
Province of Quebec 4½/56	92.	95.	4.85
Abitibi Power & Paper 5/53	50.	55.	11.00
Argentine Gov't. (Ser. B) 6/58	63.	64.50	...
Beauharnois Power 6/59	65.	70.	8.90
Bell Telephone Co. of Canada 1st, 5/57	105.	109.	4.40
Brazil, U. S. of, Ext. S. F. 6½/57	27.	28.75	...
British Columbia Power 5/60	85.	90.	5.70
British Columbia Power 5½/60	90.	96.	5.80
British Columbia Telephone 5/60	93.	98.	5.13
Calgary Power 5/60	83.	90.	5.70
Calgary Brewing 5/42	98.	102.	4.40
Canada Cement 1st Mtge. S. F. 5½/47	89.	94.	5.80
Canada Gypsum Lime & Alabastine 5½/48	70.	80.	7.60
Canada Northern Power Corp. 5/53	78.	85.	6.25
Canada Steamship Lines 1st & Gen. 6/41	40.	50.	...
C. P. R. Collateral Trust 5/54	92.	96.	5.30
C. P. R. Secured 4½/44 Notes	80.	85.	6.20
Chile Republic Ext. S. F. 6/60	21.	24.	...
Colombia Republic Ext. S. F. 6/61	21.	24.	...
Davies, Wm. 6/42	85.	90.	7.40
Dominion Canners 6/40	100.	104.	5.45
Dominion Square Corporation 6/48	60.	70.	9.00
Dominion Tar & Chemical 6/49	80.	85.	7.60
Dominion Textile 6/49	100.	105.	5.55
Duke Price Power 1st, 6/66	96.	100.	6.00
Eastern Dairies, Ltd., Conv. 6/49	90.	98.	6.20
Eaton, T. Realty 5/49	85.	90.	5.92
Famous Players 6/48	70.	80.	8.20
Federal Grain 6/49	60.	70.	9.10
Foreign Power Securities Corp. 6/49	70.	85.	7.55
Fraser Companies 6/50	35.	45.	...
Gatineau Power, 1st Mtge. 5/56	86.	90.	5.75
Gatineau Power, S. F. Debs., 6/41	75.	80.	9.00
General Steel Wares 6/52	40.	50.	...
Howard Smith Paper Mills 5½/53	61.	66.	8.90
Harris Abattoir 6/47	95.	100.	6.00
Manitoba Power, 1st S. F. 5½/51	70.	78.	7.63
Maple Leaf Milling 5½/49	75.	80.	7.55
Massey-Harris, 1st Mtge. 5/47	64.	70.	7.75
MacLaren Quebec Power 5½/61	83.	88.	6.40
Montreal Coke, 1st S. F. 5½/47	96.	100.	5.50
Montreal Island Power 5½/57	93.	96.	5.80
Montreal Light, Heat & Power 5/51	101.	103.	4.75
Montreal Tramways, 1st Coll. Trust 5/41	97.	100.	5.00
Montreal Tramways Gen. Ref. 4½/55	75.	35.	5.65
Montreal Tramways 5/55	85.	88.	5.95
Moodie, J. R. 6/48	95.	100.	6.00
Ogilvie Flour Mills 6/32	99.	101.	4.95
Ontario Power Service 5½/50	70.	75.	8.10
Ottawa Valley Power 5½/70	93.	96.	5.75
Power Corporation of Canada 4½/59	75.	80.	5.95
Price Bros., 1st S. F. Ser. "A" 6/43	78.	86.	7.90
Quebec Power 1st Mtge. Coll. S. F. 5/68	94.	97.	5.17
Shawinigan Water & Power 4½/70	93.	98.	4.60
Shawinigan Water & Power 5/70	98.	101.	4.95
Simpsons 6/49	80.	90.	7.00
Southern Canada Power 1st, 5/55	94.	102.	4.85
United Securities Coll. Trust 5½/52	88.	94.	6.00
West Kootenay Power 5/56	88.	94.	5.42
Windsor Hotel 6½/43	96.	100.	6.50
Windsor Hotel 6/47	88.	94.	6.60
Winnipeg Electric 5/35	94.	100.	5.00
Winnipeg Electric 6/54	65.	75.	8.50

Listed Bond Quotations

Week Ending November 16

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1931 High	Low
Abitibi, 1st mtge.	5	1953	...	51	...	...	78	49
Asbestos	5	1942	...	...	...	...	100	...
Asbestos, 1st mtge.	6	1941	...	14	...	...	20	15
Do., gen. mtge.	6	1956	...	...	...	...	9	...
Can. Cons. Rub.	6	1946	...	...	...	...	x102½	102½
Can. Cottons	5	1940	6.47	...	90½	...	91	88
Can. Forgings	6	1942	6.00	...	...	...	100	...
Can. Locomotive	6	1951	...	...	...	...	x96	...
Can. Pr. (La. Ser.)	5½	1958	...	9	9	...	28½	5
Do. (Way. Ser.)	5½	1958	...	9	9	...	28½	5
Can. S. S. deb.	5	1943	...	...	...	...	x98½	...
Cedars Rapids	5	1953	4.66	...	...	...	105	101
Dom. Canners	6	1940	...	...	...	...	x103	...
Dom. Coal	5	1940	5.29	...	...	...	98½	98
McNiah	6	1948	...	2.25	2.25	...	3.25	2.25
Mex. L. & Pr.	5	1940	10.05	...	...	...	73½	70½
Mont. L. H. & P.	4½	1932	...	...	...	...	x100	98½
Mont. Tr. 1st mtge.	5	1941	5.44	96	96½	...	101½	96½
Mont. Tr. "A"	5	1955	5.70	84	...	...	95½	90½
Mont. Tr. G. & R. "B"	5	1955	5.51	...	...	...	95½	91¾
Do., "C"	4½	1955	5.64	...	...	...	85	84
Do., "D"	5	1955	5.55	84	...	...	95½	91¾
N. S. Steel	5	1959	...	...	...	...	62⅝	59
Ogilvie Flour "A"	6	1932	5.35	...	...	...	100⅝	100
Do., "B"	6	1932	...	...	...	...	x100⅝	100
Do., "C"	6	1932	5.73	...	...	...	100½	...
Ont. Steel	6	1943	...	...	...	...	...	...
Porto R. Pr.	5	1936	7.95	...	...	...	93	88
Steel of Can.	6	1940	4.98	...	...	...	107½	106¾
Wayagamack	6	1951	...	...	...	...	75	45
West. K. Pr.	6	1940	5.15	...	...	...	106	...
Winn. Elec.	5	1935	5.12	...	...	...	99½	98¾
Toronto								
Canada Bread	6	1941	6.00	...	...	...	101½	100
Steel of Can.	6	1940	5.12	...	...	...	106½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	3.83	105.00	104.75	....	108.15	103.75
Victory Loan	5½	1933	4.95	100.50	101.00	100.60	105.25	100.60
Do.	5½	1934	5.28	100.30	100.50	100.00	105.30	100.00
Do.	5½	1937	4.36	105.00	105.50	104.90	112.40	104.90
Do., refund	4½	1940	5.10	94.00	....	....	102.12	94.75
Do., refund	5	1943	5.16	98.00	98.00	....	106.50	98.00
Do., refund	4½	1944	5.11	94.00	....	....	102.25	92.50
Do., refund	4½	1946	5.00	93.50	....	....	102.45	94.00
Do., renewal	5½	1932	4.73	100.25	100.25	100.00	103.00	100.00
Conversion Loan	4½	1956	5.03	92.25	93.00	92.75	102.00	92.00
Do.	4½	1957	5.09	92.00	....	....	102.75	92.75
Do.	4½	1958	5.07	93.10	....	....	104.65	92.75
Do.	4½	1959	5.03	93.50	94.75	94.37	104.70	93.50

x—Quotations for 1930. None recorded in 1931 to date.

Winnipeg Grain Prices

Week to November 17

Crop Year from Aug. 14 High	Low		Open Nov. 12	High for week	Low for week	Close Nov. 17
		Wheat				
.72½	.52¼	Nov.	.66½	.65⅝	.60⅝	.66½
.72¾	.51½	Dec.	.66½	.67	.60⅞	.66½
.76½	.55½	May	.69¾	.71½	.65½	.70⅜
.77⅛	.65⅝	July	.71	.72	.65⅝	.71⅜
		Oats				
.36⅞	.32¼	Nov.	.34	.34⅜	.32¾	.34⅜
.36½	.25⅝	Dec.	.33⅜	.34⅜	.32¾	.34⅜
.38	.28	May	.35¾	.37½	.35¼	.37
.37½	.36	July	....	.37½	.36	.37½
		Barley				
.44¾	.36¾	Nov.	....	.44½	.41½	.44½
.45½	.25⅝	Dec.	.42⅜	.44⅝	.41⅜	.44½
.47¾	.32¼	May	.44	.46¾	.43¾	.46⅜
		Flax				
1.13	.99	Nov.	1.05¾	1.09½	1.06	1.08
1.27	.92½	Dec.	1.06	1.12¾	1.03	1.08
1.21	.97½	May	....	1.14	1.08½	1.13½
1.16½	1.11½	July	....	1.13¾	1.11½	1.13
		Rye				
.55½	.45¾	Nov.	.50½	.52½	.47½	.52½
.56	.32½	Dec.	.51½	.52½	.47⅝	.52½
.59⅛	.32½	May	.54½	.56⅞	.51⅜	.56¾
.59	.52	July	.56	.58	.52	.58

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo
Week of November 17

High to date†	Low		Close Nov. 10	High for week	Low for week	Close Nov. 17
		Wheat				
.70½	.50¾	Dec.	.67¾	.63	.58¼	.63
.72	.65⅝	May	.71	.66½	.62⅝	.66¾

†Since trading opened March 3.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)

November 17, 1931

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.25	.40
Acadia Sugar pfd.	2.05	2.60
Allens Coll. pfd.	30.50	....
Allens Lond. pfd.	30.50	....
Andian Nat. Corp.	20.50	25.00
B.C. Pulp & Paper c.	2.00	4.00
B.C. Pulp & Paper 7% pfd.	26.50	....
Canada Bisc. pfd.	....	8.00
Can. & Dom. Sugar c.	16.75	....
Can. Mach. c.	5.25	6.50
Can. Mach. 7% pfd.	23.00	32.00
Can. Packers c.	12.50	16.00
Can. Pack. 7% pf.	84.00	92.00
Can. Starch pfd.	71.00	....
Can. Tea pfd.	57.00	....
Can. Wire & Cable pfd. w.w.	90.00	97.00
Can. Indust. c. "A"	80.00	....
Can. Indust. c. "B"	79.00	....
Can. Indust. 7% pfd.	108.00	118.00
Can. Westing.	47.50	55.00
Chase, A. W. Units	30.00	37.50
Cons. Oka Sand & Gravel pfd.	61.00	....
Copeland Flour 6% pfd.	....	13.00
Dom. Foundries & Steel pfd.	52.00	58.00
Dom. Foundries & Steel c.	5.00	7.00
Dom. Mfrs. pfd.	76.00	....
Dunlop Tire 7% pfd.	60.00	....
Eastern Car 6% pfd.	46.50	....
Fed. Grain pfd.	22.50	....
Goderich Elev. & Transit	13.75	16.00
Greening Wire 7% pfd.	86.00	....
Guard. Realty pfd.	39.00	45.00
Guelph Carpet Units	70.00	80.00
Harding Carp. pf.	....	58.00
Inter. City Bak. c.	45.00	52.00
Internat. Proprietaries "A"	25.00	30.00
Loew's London c.	.75	....
Loew's London 7% pfd.	4.00	6.00
M & P Stores pfd.	84.00	95.00
Massey Harris pf.	13.00	18.00
Morrow Screw Nut 7% pfd.	94.00	98.00
Mt. Royal Hotel Scrip	.75	1.50
Mt. Royal Hotel c.	1.25	2.50
Mt. Royal Hotel 6% pfd.	13.00	18.00
Nat. Grocers c.	.50	1.20
Nat. Grocers 2nd 7% pfd.	45.50	51.00
Para. Oshawa c.	10.50	....
Prov. Paper pfd.	60.00	70.00
Rolland Paper pfd. w.w.	....	50.00
Standard Clay Products c.	10.00	25.00
Standard Fuel pfd. bonus	63.50	72.50
Supertest Petroleum "B" pfd.	17.00	....
Toronto Brick pfd.	45.00	60.00
Toronto Carpet c.	112.00	....
Toronto Carpet 8% pfd.	99.25	....
Toronto Elevator 7% pfd.	65.00	80.00
Toronto Hous. c.	23.00	32.00
Un. Amuse. "A"	13.25	....
Western Grain pf.	14.00	....
Willards Choc. pf.	30.00	43.00
Insurance Stocks:		
Br. Amer. Assce.	30.50	....
Canada Life Ass.	470.00	550.00
Canada Nat. Fire	....	27.00
Canadian Fire Ins.	75.00	84.00
Capital Life 20% pd.	11.50	....
Confederation Life 20% pd.	175.00	215.00
Continental Life 20% pd.	72.00	....
Crown Life	135.00	175.00
Dominion Fire	95.00	125.00
Dom. of Can. Gen. Ins.	190.00	217.50
Dominion Life 50% pd.	x275.00	350.00
Excelsior Life 30% pd.	100.00	125.00
Federal Fire 25% pd.	29.00	35.00
Fidelity Ins. of Canada	....	80.00
Great West Life	390.00	425.00
Guarantee Co. of N. A.	237.00	....
Halifax Fire	12.00	16.00
Imperial Life	390.00	430.00
Mfrs. Life	300.00	330.00
Monarch Life	27.00	31.50
Nat. Life 25% pd.	105.00	122.00
Sask. Life 10% pd.	11.00	18.00
Sovereign Life	25.00	30.00
Sun Life Assur.	650.00	825.00
Western Assur. c.	29.00	37.50
Western Life 20% pd.	7.00	....
Trust & Loan Stocks:		
Br. Mtg. & Trust	160.00	....
Can. Gen. Investments Ltd.	5.00	7.00
Chartered Trust	97.00	107.00
Deb. & Sec. c.	55.00	65.00
Deb. & Sec. pfd.	54.00	....
Eastern Can. Sav. & Loan	122.00	137.00
Eastern Trust	137.00	155.00
Guelph & Ont. Inv. par $50	52.00	55.00
Investment Foundation Units	20.00	....
Lambton Loan & Savings	77.50	....
London & Western Trust	....	135.00
Midland Loan & Savings	17.00	....
Mtge. Disc. pfd.	3.75	4.50
Mutual Fin. pfd.	5.00	7.00
Mutual Fin. c.	5.00	7.00
Premier Trust	....	85.00
Sec. Loan & Sav.	105.00	120.00
Sherbrooke Trust	109.00	....
Sterling Trust	....	90.00
Traders Fin. pfd.	42.25	....
Traders Fin. c.	....	5.50
Trusts & Guar.	76.00	83.00
Victoria Trust & Savings	166.00	....
Waterloo Trust & Savings	115.00	130.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	95.00	98.00
Calgary Pwr. pfd.	80.00	88.00
Can. Light & Pwr. com.	....	28.00
Can. West. Nat. Gas LH&P c.	35.00	....
Can. West. Nat. Gas LH&P pfd.	70.00	80.00
Gt. Lakes Pwr. pf.	....	87.00
N.B. Pwr. 1st pf.	51.50	....
N.B. Tel. c.	11.00	14.00
N.S. L&P c.	45.00	55.00
Ottawa LH&P 6½% pfd.	....	103.00

Recent London Quotations:	
Brewer Distillers	3s. 8d.
Can. & For. Sec.	7s. 6d.
Can. West. Lumber	1s. 9d.
Hudson's Bay	26s. 3d.
Do., 5% pfd.	65s.
Internat. Holdings	81½
Nfld. Pr. & Pap. deb. stk.	97½
Trust & Loan of Can. (15s. pd.)	8s.

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Assoc. Telephone & Tel. "A"	...	$1+50c	Jan. 1/32	Dec. 17
Agnew Surpass pfd.	7%	1¾%	Jan. 2	Dec. 15
Bank of Nova Scotia	16%	4%	Jan. 2	Dec. 16
Bk. Can. Nationale	10%	2½%	Dec. 1	Nov. 14
Bank of Montreal	12%	3%	Dec. 1	Oct. 31
Bank of Toronto	12%	3%	Dec. 1	Nov. 14
Brazilian Traction, ord.	...	25c	Dec. 1	Oct. 31
Borden Co. com.	$3	75c	Dec. 1	Nov. 14
Belding Corticelli, pref.	7%	1¾%	Dec. 15	Nov. 30
British American Oil	80c	20c	Jan. 2	Dec. 12
Canada Cement, pref.	6½%	1⅝%	Dec. 31	Nov. 30
Canada Bread "B" pref.	...	50c	Dec. 1	Nov. 14
Canada Vinegars	$1.60	40c.	Dec. 1	Nov. 14
Can. Hydro, 1st pref.	6%	1½%	Dec. 1	Nov. 1
Canadian Oil, pref.	8%	2%	Jan. 1	Dec. 19
Can. Wire & Cable "A"	$4	$1	Dec. 15	Nov. 30
Do., "B"	$1	25c	Dec. 15	Nov. 30
Do., pref.	6½%	1⅝%	Dec. 15	Nov. 30
Canadian Car, com.	$1.75	44c	Nov. 30	Nov. 13
Can. Bank of Commerce	12%	3%	Dec. 1	Oct. 31
Crow's Nest Coal	$3	75c	Dec. 1	Nov. 9
Can. Silk Products "A"	$1.50	37½c	Dec. 1	Nov. 15
Can. Pacific Railway, ord.	5%	1¼%	Dec. 31	Dec. 1
Can. Inter. Invest. Trust, pfd.	5%	1¼%	Dec. 1	Nov. 14
Cities Service		2½c.+½%	Dec. 1	Nov. 15
Dominion Textile	$5	$1.25	Jan. 2	Dec. 15
Do., pref.	7%	1¾%	Jan. 15	Dec. 31
Eastern Theatres, com.	$2	50c	Dec. 1	Oct. 31
East Kootenay Pr., pfd.	7%	1¾%	Dec. 15	Nov. 30
Hollinger Mines		1+1%	Dec. 2	Nov. 18
Imperial Oil	50c	12½c	Dec. 1	Nov. 14
International Milling pfd.	7%	1¾%	Dec. 1	Nov. 20
Do., pref.	6%	1½%	Dec. 1	Nov. 20
International Petroleum	$1	25	Dec. 15	Nov. 30
International Nickel, c.	20c	5c	Dec. 31	Dec. 1
Landed Banking & Loan	8%	2%	Jan. 2	Dec. 15
Loblaw Groceter. "A" & "B"	80c	20c	Dec. 1	Nov. 12
Lindsay, C. W.	$1	25c	Dec. 1	Nov. 15
Do., pref.	6½%	1⅝%	Dec. 1	Nov. 15
Lake Shore Mines	$2+50c	50c+50c	Dec. 15	Dec. 1
Laura Secord	$3	75c	Dec. 1	Nov. 16
Legare, P. T., pref.	7%	1¾%	Dec. 1	Nov. 14
Model Oils	...	3c.	Dec. 18	Dec. 3
McIntyre-Porc. Mines	20%	5%	Dec. 1	Nov. 2
McColl Frontenac, c.	60c	15c	Dec. 15	Nov. 14
Montreal Loan & Mtge.	12%	3%	Dec. 15	Nov. 30
N. S. Light & Power pfd.	6%	1½%	Dec. 1	Nov. 14
Ogilvie Flour, pref.	$7	$1.75	Dec. 1	Nov. 20
Ont. & Que. Rly.	$6	$3	Dec. 1	Nov. 1
Do., deb. stk.	5%	2½%	Dec. 1	Nov. 1
Premier Trust	$5	$2.50	Dec. 31	Dec. 24
Power Corp., com.	$2	50c	Nov. 20	Oct. 31
Provincial Bank	10%	2½%	Dec. 1	Nov. 14
Photo Engravers	$2	50c	Dec. 1	Nov. 14
Paramount Publix	stk. div.	2½%	Dec. 31	Dec. 4
Royal Bank	12%	3%	Dec. 1	Oct. 31
Rolland Paper, pref.	6%	1½%	Dec. 1	Nov. 16
Reliance Grain, pfd.	6½%	1⅝%	Dec. 15	Nov. 30
Standard Steel, pref. "A"	$3	75c	Jan. 1	Dec. 15
Union Gas	$1	25c	Dec. 10	Nov. 20
Windsor Hotel, pref.	6½%	1⅝%	Dec. 1	Nov. 14

Dividends Passed or Deferred:
Lake of Woods Milling, pref., Dec. 1, deferred. Last paid 1¾% Sept. 1, 1931.

Dividend Rate Reduced:
Canada Wire & Cable "B" Dec. 15, 25c. Reduced from $1.75 to $1 per annum.
Canada Bread, pfd., "B," Dec. 1, 50c. Reduced from $1.75 to 50c. quarterly.
International Nickel, com., 5c. Dec. 31. Reduced from 10c. to 5c. quarterly.

Bonus Declared:
Lake Shore Mines, Dec. 15, 50c.

Bonus Omitted:
Year-end bonus of the following banks will be omitted this year: Commerce, Dominion, Imperial, Montreal, Royal & Toronto.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

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PAINT MAKERS REDUCE PRICES IN MAJOR LINES

Sherwin and Brandram Make Second Cut in Year

From Our Own Correspondent

MONTREAL—Price-cutting in the Canadian paint industry has made its appearance for the second time within the last 12 months. Precipitated by a reduction of 25 cents a gallon recently announced by a western manufacturer, prices of both Sherwin-Williams Co. of Canada and Brandram-Henderson have been reduced by a like amount and important lines of both manufacturers are now quoted at $3.35 a gallon, the lowest figure to be reported for many years.

It will be remembered that both these companies lowered the prices of the majority of their products late in 1930. At that time the cut was 40 cents a gallon; therefore, paint is now selling at 65 cents a gallon below prices of a year ago. Sherwin-Williams and Brandram-Henderson are the two largest factors in the paint industry in Canada and securities of both concerns are publicly held.

Commodity Values Lower

The first reduction in paint prices which brought values to the lowest point in the last 13 years was the result of the wide decline in the price level of various commodities basic to the paint industry. Turpentine, linseed oil and other raw materials all recorded marked reductions in price and Sherwin-Williams and other leaders brought their wholesale paint prices in line with the value of basic commodities.

There has been a tendency toward firmer commodity prices in recent weeks, an indication that the recent price reductions are more the outcome of competition than the commodity price level.

Sherwin-Williams and Brandram-Henderson announced their reductions to the trade as effective November 14. Bookings for spring delivery accordingly will be made at the new prices of $3.35 a gallon, a figure which compares with $5.30 ten years ago.

Effect on Earnings

What effects the new listings will have on earnings cannot yet be estimated, though some idea of the effects of the first price reduction will be gleaned from the forthcoming report of Sherwin-Williams Co. for the fiscal year ended August 31, 1931. This statement is expected within the next week or two. Brandram-Henderson closes its fiscal period with the calendar year.

Both manufacturers have felt the exigencies of business conditions during the current period. Sherwin-Williams has maintained regular dividend payments on the common stock at the rate of $1.60 annually, but deferred payment of a quarterly bonus of 5 cents a share in March. Unofficial estimates have placed earnings for the period ended August 31, 1931, at around $1 a share.

Brandram-Henderson omitted payment of its common dividends in October of this year. The financial statement for 1930 showed a deficit before payment of preferred dividends of $25,074 and after all distributions there remained a total deficit of $87,672 for the year.

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'PEG MILK MELEE WARMS TO WORK

Piggly Wiggly Manager Justifies Price of 7c a Quart

Controversy is becoming lively in the milk price-war now in progress in Winnipeg, as reported last week in The Financial Post. Now E. J. Jordan, assistant manager of Piggly Wiggly Stores, comes out with a flat repudiation of a statement appearing recently in a Manitoba journal to the effect that "two of the smaller distributors, who have no agreement with the producers' organization, hold the view that they have a right to pay any price for milk which they can persuade the producers to accept for their surplus, and sell it for what they like.

"I think," says Mr. Jordan, "that this is unfair and, while the name of our firm is not mentioned, it reflects on us, as we are the only firm retailing milk at 7c. per quart."

Pays Top Price

Mr. Jordan contends that he is rigidly adhering to the price of $1.73 per cwt. to the producer for milk containing 3.5 per cent butter fat, paying an extra 5 cents for each additional point of butter fat the milk may contain. The company operates its own pasteurizing plant.

"Not being members of any association to control the price of milk, either to the producer or the consumer, we have felt free to buy from any producer who produces good milk under sanitary conditions, and to sell it at a reasonable price," says Mr. Jordan.

"We take surplus milk, certainly, when it is offered, provided, of course, that other conditions are right," he continued, "but the percentage of surplus milk taken from producers within the Winnipeg District Co-operative Milk Producers' Association is only a very small percentage of our supply. We prefer, as far as is possible, to deal with men who sell us their entire output.

"It is not difficult to imagine that, in times like these especially, more milk would be consumed at 7c. than at 14c. or 11c. or 10c., and we think that the low price helps both producer and consumer."

Some Alberta Farmers Awaiting Better Prices

"I am informed that many farmers are just marketing sufficient of their crop to meet immediate indebtedness and holding the balance for higher prices," said W. T. Young, chief inspector for Alberta for the Western Grain inspection office, Calgary, when questioned recently on the movement of grain.

Inspections this year are considerably below the receipts for the same period last year. The reasons for this decrease are attributed to decreased acreage, lateness of harvest and unfavorable prices.

The grading is from No. 1 hard down to feed wheat and it is reasonable to expect that the percentage of lower grades will increase in the near future when grain will be moving more freely from Northeast and Central Alberta, said Mr. Young, adding that the percentage of tough grain this season, however, is lower than for the same period last year.

LIMIT FOREIGN BORROWINGS SAYS CAN. BANK HEAD

(Continued from page 9)

outstanding considerably less than at the same date a year ago.

Borrowing Abroad

"The disposition on the part of many public bodies of this country to resort to international money markets to save a fractional percentage of interest in borrowing operations has received a severe setback in recent months. The temporary shut down on flotations of Canadian issues in foreign money markets will compel provincial governments, cities, municipalities and commercal corporations to rely upon the resources of Canada for their credit requirements. This experience in foreign borrowing, now proving so expensive, will have its compensations if borrowers seek in future to place at home the bulk of their loans and strive to limit these to the investment capacity of the country.

"Lord Macaulay, somewhat less than a hundred years ago, writing on the public debt of Great Britain, incurred largely in the Revolutionary War with America, 1774-83, and in the Napoleonic Wars, 1793-1815, spoke of the huge increases in the public debt of the country caused by these wars. Yet because the debt was all domestically held, British Nationals being the recipients of the interest payments, the debt never seemed a burthen. Fortunately the great bulk of the securities representing the national debt of Canada itself is in the hands of the people of this country. But it cannot be too deeply impressed upon the people of this country that borrowing abroad, made so facile in periods of prosperity, means, when prices for our exportable commodities fall, and the balance of payments is against us, a requirement of payments in gold which in the aggregate, put an overstrain upon our gold holdings which they should not be called upon to bear.

Gold Production

"Canada has now second place among the gold producing countries of the world. On the authority of the Dominion Statistician, in a Bulletin dated the 25th September last, production of gold for 1930 from all sources in Canada amounted to 2,102,068 fine ounces, valued at $43,453,601, as against an output of 1,928,308 fine ounces valued at $39,861,663 in 1929. In the year 1929 the United States was second among the gold producing countries with an output of 2,056,629 fine ounces, valued at $42,514,300; in 1930 the United States was third with an output of 2,053,659 fine ounces.

"The Monthly Review of Business Statistics for October, 1931, issued by the Dominion Statistician, gives the gold production for Canada for each of the eight months ended August, 1931, the average being 215,300 ounces as against a monthly average of 175,590 ounces for the calendar year 1930. If the rate of production for the remaining four months of the calendar year 1931 is maintained, and there is every indication that it will be, the value of the total production of Canada for 1931 will be upwards of $53,000,000.

Gold Discoveries

"Recent announcements from the Department of Mines at Ottawa indicate that as a result of the present economic depression gold mining in Canada is now probably more prosperous than it has ever been. Great activity is reported in increasing the production of the present mines, and added to that the search for paying gold property has taken the form of exhaustive examination of the possibilities of known gold-bearing areas, rather than seeking new fields in remote districts. Northern Ontario and Northern Quebec are the scene of most of these operations. The outlook for new developments in both of these provinces is that a number of mines will be brought into paying production within the coming year.

"In the interim report of the gold delegation of the League of Nations published in September 1930, the estimate for Canada of gold production in 1931 was put at $40,900,000 with a gradual prospective increase until in 1940 the estimate of production for Canada was put at $46,500,000.

"The interim report also places an estimate on the production of gold in South Africa for the year 1930 at $211,700,000, and for the year 1940 the estimate is $124,100,000. The figures now to hand for 1930 show the actual production of gold for South Africa to have been $221,570,000, or nearly $10,000,000 over the gold delegation's estimate, and for the first eight months of 1931 the actual production in South Africa exceeds production for the corresponding eight months in 1930 by $1,900,000, whereas the gold delegation's estimate for South African production in 1931 is $4,400,000 less than the production for 1930.

"The foregoing figures show that the estimates of the gold delegation as checked against actual production a year later were so conservative that instead of Canada's increasing a very modest $600,000 the actual increase in 1931 over 1930 is likely to be $10,000,000 or over, while the decrease predicted for South Africa of $4,400,000 between 1930 and 1931 is likely to be an actual increase of over $3,000,000. Whether the predictions of the gold delegation of a continued diminution in the world gold production during the next ten year period has had anything to do with the scramble for gold witnessed in the last twelve months, it is difficult to hazard a guess, but the actual facts show that in the first year of the period the predictions made were not borne out by the facts as they developed. It would seem as though the alarm expressed in some quarters that the temporary depression of prices is likely to be aggravated by a contemporaneous long term downward trend in gold production is not justified.

The Gold Standard

"What of the gold standard in Canada? Canada is not an international money market, being a debtor country, and cannot hope to be such a market until its accumulated wealth and capital is sufficient to meet its requirements for the development of its resources, and until it has available funds to lend to other countries. Canada could not make gold shipments to meet world-wide demands, and any attempt in this direction would result solely in jeopardizing the soundness of its currency and of its financial position. But Canada can and will, from time to time, make shipments of gold, to meet its obligations payable abroad in gold; additional shipments must be conditioned upon its internal requirements.

"There is much present criticism, the world over, of the gold standard, and the opinion is being expressed that some other medium or method of settling international balances must ultimately take its place. The opinion to the contrary is here confidently ventured that the defect is not inherent in the gold standard, but in the use to which the gold of the world is being put. The true function of gold is nowadays to act as a basis for fiduciary note issues and to furnish a medium, after invisible exports and imports have been taken into account, for adjusting and settling adverse balances between countries exchanging their products and commodities. This function it admirably fulfilled for many years antecedent to 1914. Thereafter the Great War intervened. The United States supplied immense quantities of products and materials to European nations during the war, thus becoming the creditor nation of the world. Then, instead of being willing to receive interest and principal payments in the products of its debtors, the customs tariff of the United States, already high before the war, was increased until it has become almost impossible for foreign products to obtain access to its markets. The United States, through its tariff policy, virtually says to its debtor nations: "We desire to be paid, but in gold alone." European countries cannot transmute their wealth into gold, no more than the United States can, and until stern realities and plain facts are faced moratoria will be followed by defaults and a world-wide return to sane economic activity will be retarded.

"In the days before the Great War, England maintained a free market for gold without difficulty. Relatively small amounts of gold were required to be moved from one country to another to adjust international balances. Confidence should in the not distant future again take possession of men's minds and the gold standard under greater freedom of trade can again be easily maintained in international financial markets. When the present conditions pass, the British Empire, with approximately 75 per cent of the gold production of the world within its confines, can look forward to the time when London will again become a free gold market.

Views on Gold Suspension

"The Economist of London, whose editor, W. T. Layton, has of late represented the Bank of England and the British Government at conferences dealing with present day international finance, in its issue of October 10 editorially comments on the suspension of the gold standard on the 21st September last as follows:

"The immediate cause of the crisis was the big drain from London on capital account. Withdrawals between the middle of July and the suspension of the gold standard were over £200,000,000 or at the rate of over £20,000,000 a week. These withdrawals, huge as they were, were not due to any international conspiracy against London, nor to any attempt by foreign banking interests to dictate terms to the British Government; indeed, on the matter of the Bank and Treasury credits, both Paris and New York rendered all the assistance that lay within their powers. Paradoxically enough, in the later stages withdrawals were due to an increasing degree to banking and financial weakness abroad; foreign banks drew upon their London balances, not as much because of the doubts they felt in London stability as because of their need to reinforce their cash against the doubts their customers were beginning to feel in their own stability.

"This authoritative statement should dispel the impression gained by a number of people that there had been lack of sympathy on the part of foreign banks, and that political considerations might have outweighed financial and economic factors.

Financial Integrity

"A cursory glance at occurrences during the last two years evidences the fact that the world has witnessed a drastic deflation of commodity prices and security values. The figures representing these readjustments are appalling. Governments, in many of the wealthiest countries of the world, have been hard pressed to maintain their credit structure, and yet, through this financial and economic upheaval, Young Canada has not suffered a single bank failure. Nothing much can be wrong with a system that produces such results and some credit must attach to the organizations which have conserved intact the savings of the people and kept them available to insure the return of prosperous times in Canada, of which unmistakable signs are becoming apparent."

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Possibilities for N. B. Lumber

Premier Richards, of New Brunswick, like the provincial lumber operators, sees great possibilities for the New Brunswick lumber trade in the British markets as a result of changed economic conditions in the British Isles. The opinion is expressed that the market recently lost by New Brunswick to the Russian dealers will be recovered under the new regime.

Paint Industry Bulks Large

The paint, pigments and varnish industry in Canada is a substantial one. Products of this industry made in the 78 factories in the Dominion in 1930 had a value of $23,966,562. The value of paints, pigments and varnishes imported last year was $4,663,681 of which 69 per cent came from the United States and 16 per cent from Great Britain.

Canadian Quotations—Cont'd

Active Provincial & Municipal Bonds

Quotations furnished by A. E. Ames & Co., Ltd., Canada Permanent Bldg., Toronto, Ont.
November 16, 1931

Provinces	Rate	Actual Maturity	Date	Approx. Price	Approx. Yield
Alberta	4½	1 Oct. 1958	1 April	84.78	5.60%
Alberta	5	1 July 1943	1 Jan.	93.75	5.75%
Alberta	6	1 Apr. 1936	1 April	100.78	5.80%
British Columbia	4½	1 Oct. 1953	1 April	90.00	5.27%
British Columbia	5	15 Jan. 1948	15 Jan.	96.73	5.30%
British Columbia	6	15 Aug. 1941	15 Feb.	103.00	5.60%
Manitoba	4	1 July 1947	1 Jan.	84.17	5.50%
Manitoba	5	2 June 1959	2 Dec.	92.90	5.50%
Manitoba	5	15 June 1943	15 Dec.	95.65	5.50%
New Brunswick	4½	1 June 1948	1 Dec.	93.77	5.05%
New Brunswick	4¾	15 June 1936	15 Dec.	98.70	5.05%
New Brunswick	6	1 Jan. 1936	1 Jan.	103.13	5.15%
Nova Scotia	4½	15 Nov. 1948	15 May	93.77	5.05%
Nova Scotia	5	1 May 1943	1 May	99.57	5.05%
Nova Scotia	6	1 Nov. 1936	1 May	103.70	5.15%
Ontario	4½	1 Sept. 1944	1 Mar.	95.26	5.00%
Ontario	5	15 Oct. 1948	15 Oct.	100.00	5.00%
Ontario	6	2 May 1936	2 May	104.00	5.21%
P.E.I.	4	1 Apr. 1939	1 Apr.	92.92	5.15%
P.E.I.	4½	1 Oct. 1944	1 Apr.	93.90	5.15%
Quebec	4¼	1 May 1961	1 May	88.41	5.00%
Saskatchewan	4½	1 Oct. 1944	1 Apr.	88.25	5.80%
Saskatchewan	5	1 Oct. 1950	1 Apr.	85.15	5.80%
Saskatchewan	6	1 Feb. 1936	1 Feb.	100.39	5.90%
Cities					
Montreal	5	1 Sept. 1963	1 Mar.	99.21	5.05%
Toronto	4½	1 Sept. 1954	1 Mar.	92.57	5.05%
Vancouver	4	1 Aug. 1946	1 Feb.	86.20	5.35%
Winnipeg	5	1 Mar. 1944	1 Mar.	94.23	5.65%
Edmonton	5½	1 May 1945	1 Apr.	93.23	6.25%
Calgary	5	1 Jan. 1943	1 Jan.	89.86	6.25%
Halifax	6	1 July 1951	1 Jan.	109.73	5.20%
Saint John	5	15 Dec. 1950	15 Dec.	97.57	5.20%
Regina	4½	1 July 1950	1 Jan.	80.70	6.25%
Victoria	5	21 July 1945	21 Jan.	94.70	5.55%
Quebec	5	1 June 1948	1 Dec.	100.00	5.00%

Foreign Exchange

	New York Funds High (Premium)	New York Funds Low (Premium)	Last Year High (Discount)	Last Year Low (Discount)
November 11	.....	.....	3-32	3-32
November 12	11 1-8	10 3-4	5-64	3-32
November 13	11 5-16	10 15-16	5-64	3-32
November 14	11 11-16	11 1-4	5-64	3-32
November 16	11 5-8	11 1-8	5-64	3-32
November 17	11 7-16	11 1-4	5-64	7-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
November 11	3.77 1-2	3.93	5.17
November 12	3.77 1-2	3.92 1-2	5.16 1-2
November 13	3.75 1-2	3.92 1-8	5.15 1-2
November 14	3.76	3.91 7-8	5.16
November 16	3.78 1-2	3.91 3-4	5.15 1-2
November 17	3.76 3-4	3.91 1-2	5.15 1-2

FOREIGN EXCHANGE

Par		Nov. 3	Nov. 10	Nov. 17
5.26	Italian	5.72	5.73¾	5.73¾
23.80	German	26.30	26.77½	26.41½
13.90	Belgian	15.37	15.43	15.43
49.80	Japanese	54.39	54.50	55.21

Mining Stock Quotations

Week Ending November 16

Par Val.	Range 1931 High	Range 1931 Low	Company	Sales	Close Nov. 9 (or last)	High for week	Low for week	Close Nov.16
1	.23	.02½	Abana	28,750	.07	.10	.06	.06½
1	.03	.01	Aconda	2,500	.01½	.02	.01½	.02
1	.05½	.03½	Adrien	......	.04½	.....	.....	.....
No	.50	.12	Aldermac	......	.25	.....	.....	.....
1	.20½	.10	Alexandria	13,500	.11½	.11½	.10	.10
1	.05	.00½	Algonquin	......	.00½	.....	.....	.....
1	.02½	.01	Amity C.	3,500	.01	.01½	.01½	.01½
No	.45	.12	Amulet	9,995	.25	.27	.21	.22
1	.02½	.00½	Apex	17,000	.00½	.01	.00½	.01
1	.05	.01	Area	9,000	.02	.02	.02	.02
1	.01	.00½	Argo. Cons.	......	.01	.....	.....	.....
No	.08½	.01½	Arno	88,600	.03	.03½	.02½	.02½
1	.01½	.01	Astoria	......	.01	.....	.....	.....
1	.02	.00½	Atlas	......	.00½	.....	.....	.....
1	.08½	.03	Bagamac	22,900	.06½	.08½	.07	.08
1	.02½	.01	Baldwin	500	.01	.01	.01	.01
1	.19½	.08	Barry Hollinger	48,400	.12	.12	.10½	.10½
No	[illegible]	.75	Base Metals	2,95[illegible]	1.35	1.31	1.05	1.10
No	.04	.00½	Bathurst	......	.03	.....	.....	.....
5s	1.75	.60	B'Wana	......	1.00	.....	.....	.....
1	.28	.26	Ben Nevis	......	.27	.....	.....	.....
No	.37½	.14	Bidgood	31,510	.20	.20	.16	.16
1	.50	.08	Big Missouri	47,700	.23	.26	.17	.18
1	.05½	.04½	Blue Quartz	......	.04½	.....	.....	.....
1	.12	.01½	Bobjo	15,800	.03½	.03½	.03½	.03½
No	.01	.00½	Boischatel	......	.01	.....	.....	.....
1	.12	.01	Brett Trethewey	13,100	.09	.09½	.08½	.09
1	.03	.03	Brit. Canadian	......	.03	.....	.....	.....
No	.12	.02½	Brownlee	89,700	.03½	.04	.03½	.03½
1	.02	.00½	Buckingham	......	.00½	.....	.....	.....
No	.27	.19	Buffalo Can.	15,000	.23½	.24	.23	.23
No	.08½	.02	Bunker Hill	6,000	.03	.03	.02½	.02½
No	.03	.01	Cal. Flin Flon	......	.01	.....	.....	.....
1	.04	.01	Cambro Kirk	......	.04	.....	.....	.....
No	.05½	.02	Canam Metals	1,000	.02½	.02	.02	.02
1	.06½	.01	Can. Kirkland	38,500	.04½	.04½	.03½	.04
1	.02	.02	Can. Lorraine	......	.02	.....	.....	.....
1	.32½	.10	Canusa	2,800	.16	.15	.15	.15
1	.04½	.00½	Capital Rouyn	3,000	.01	.00½	.00½	.00½
1	.30	.15	Castle Trethewey	38,825	.29½	.30	.20	.22
1	.23	.03	Cen. Manitoba	11,625	.10	.11	.08½	.08½
1	.17	.05	Can. Patricia	1,500	.06½	.06½	.06½	.06½
1	.03	.01½	Champion R.	......	.02½	.....	.....	.....
No	.59	.02	Chib. Prospect	11,000	.09½	.12	.09½	.12
No	.08	.00½	Clericy	8,000	.01½	.02	.01½	.02
5	10.50	2.50	Coast Copper	655	5.40	5.50	4.25	4.25
1	.05½	.01½	Cobalt Contact	34,500	.03½	.03½	.02½	.02½
1	.02½	.00½	Col. Kirkland	......	.01½	.....	.....	.....
1	.39	.05	Columario	7,050	.08	.10½	.09	.09½
5	1.50	.50	Coniagas	1,400	1.25	1.16	1.15	1.15
No	.62	.25	Coniaurum	100	.40	.35	.35	.35
25	188.25	64.00	Cons. Smelters	5,594	86.00	91.00	78.00	78.00
.	.35	.15	Cons. Venus	200	.35	.35	.35	.35
1	.01	.00½	Corona	......	.00½	.....	.....	.....
1	.02½	.00½	Crown Reserve	......	.01	.....	.....	.....
No	.21	.03	Dom. Exploration	59,100	.10	.10	.07½	.08
1	.03	.00½	Dom. Kirkland	......	.00½	.....	.....	.....
No	13.40	8.00	Dome Mines	12,300	10.40	10.60	10.20	10.20
1	.01	.00½	Don Rouyn	100	.01	.01	.01	.01
No	.33	.30	Donald Woolsey	......	.30	.....	.....	.....
1	.01	.00½	Dunkin	......	.00½	.....	.....	.....
1	.02½	.00½	Duprat	......	.01½	.....	.....	.....
1	1.68	.20	Eldorado	24,205	1.21	1.21	.98	.98
No	1.70	.99	Falconbridge	6,125	1.55	1.56	1.35	1.40
1	.08½	.02	Federal	3,000	.03½	.04	.04	.04
No	.01½	.00½	Flintoba	38,500	.00½	.00½	.00½	.00½
No	.30	.06	Gem Lake	7,500	.08½	.09	.07½	.07½
No	.04½	.01½	Gilbec	......	.02	.....	.....	.....
1	.08	.02½	Goldale	500	.02	.03½	.03½	.03½
10	.25	.08	Goldfield	6,000	.20	.15	.15	.15
1	.01½	.00½	Gold Hill	2,000	.00½	.00½	.00½	.00½
1	.11	.02½	Goodfish	5,000	.05	.05	.05	.05
1	.04	.00½	Graham	......	.00½	.....	.....	.....
1	1.90	1.15	Granada Gold	34,190	1.75	1.90	1.70	1.74
1	.14	.06	Grozelle	10,000	.14	.14	.14	.14
1	.03	.01	Harker	......	.01½	.....	.....	.....
.	.39	.31	Harvey Gold	......	.35	.....	.....	.....
1	.08½	.07½	Hayden	......	.08	.....	.....	.....
No	.30	.29	Halliwell	......	.28	.....	.....	.....
1	.05	.00½	Hilltop	45,500	.02½	.02½	.02	.02½
5	8.70	4.60	Hollinger	5,125	6.20	6.50	6.20	6.35
1	.40	.20	Howey Gold	13,800	.38	.38	.37	.37
No	6.30	2.00	Hudson Bay	2,310	4.50	4.25	3.50	3.75
No	.40	.25	Huronian	......	.25	.....	.....	.....
No	20.50	8.12	Int. Nickel	52,007	13.87	14.00	11.00	11.12
1	.03	.00½	Jackson Manion	4,000	.01½	.01½	.01½	.01½
1	.35	.21	Keeley	11,200	.35	.35	.35	.35
1	.04½	.00½	Keora M.	2,000	.01	.01	.01	.01
1	1.00	.27½	Kirk. Hud. Bay	4,250	.90	.95	.90	.95
1	.03	.00½	Kirk. Hunton	2,000	.01½	.01½	.01½	.01½
1	.93	.51	Kirkland Lake	10,850	.55	.60	.55	.56
1	.08	.01	Kirk. Premier	13,000	.02½	.03½	.02½	.03½
1	.25	.05½	Kirk. Townsite	30,700	.16	.18½	.16	.17½
20c	.02½	.00½	Koot. Florence	37,000	.01½	.01½	.01	.01
1	.02	.00½	La Rose	1,000	.00½	.02	.02	.02
1	.69	.38	Lakeland	500	.47½	.43	.43	.43
1	29.95	20.00	Lake Shore	4,625	29.25	29.35	29.00	29.00
1	.02	.00½	Laval	......	.00½	.....	.....	.....
1	.04	.01½	Lebel Oro	4,000	.08½	.02½	.02	.02
No	.35	.35	Locarno	......	.35	.....	.....	.....
1	.55	.10	Macassa	14,850	.47	.48	.40	.43
1	.12	.02	Malartic	2,000	.03	.04	.03½	.04
No	.15	.06	Mandy	600	.07	.10	.08	.10
No	.06	.01	Manitoba Basin	55,900	.01½	.02	.01½	.01½
1	.55	.20	McKinley	......	.35	.....	.....	.....
5	26.50	13.95	McIntyre	1,075	20.75	20.75	20.50	20.60
No	.33	.06	McLeod River	88,800	.11	.12	.10	.10
1	.04	.04	McVittie	......	.04	.....	.....	.....
1	.29	.03	MacMillan	500	.10	.10	.10	.10
1	.01½	.00½	Millcrest	......	.01	.....	.....	.....
No	2.84	1.25	Mining Corp.	7,920	1.85	1.85	1.50	1.60
1	.34	.01	Moffatt Hall	99,150	.10	.11	.08½	.09
1	.04	.02½	Moneta	......	.03	.....	.....	.....
1	.00½	.00½	Mtl. Rouyn	......	.00½	.....	.....	.....
1	.63	.20	Moss	27,100	.42	.42½	.35½	.38
1	.09	.01	Murphy	49,000	.02	.03½	.02½	.02½
No	.07½	.02	Newbec	9,200	.05	.04½	.04	.04
1	.40	.25	Nevada	......	.25	.....	.....	.....
1	[illegible]	.02	Night Hawk	1,000	.04	.03	.03	.03
5	1.90	.80	Nipissing	7,935	1.63	1.65	1.25	1.25
No	29.75	11.75	Noranda	94,729	18.90	19.00	17.00	17.60
1	.50	.25	Nor. Canada	900	.30	.28	.27	.28
No	.03	.00½	Old Colony	2,500	.00½	.01½	.00½	.01½
1	.01	.00½	Ophir	2,000	.00½	.00½	.00½	.00½
1	.10½	.02½	Oriole	7,500	.03	.03	.02½	.02½
1	.21	.07	Osisko	......	.09	.....	.....	.....
1	.25	.23	Parkhill	......	.23	.....	.....	.....
1	.15	.07	Patricia Dent	......	.10	.....	.....	.....
1	.05	.01½	Pawnee Kirk	......	.02½	.....	.....	.....
No	1.61	.60	Pend Oreille	8,125	1.21	1.35	1.00	1.00
1	.04½	.00½	Pete. Cobalt	7,000	.02½	.02½	.02	.02
.	.25	.18½	Phoenix Molybd.	......	.25	.....	.....	.....
1	.01½	.00½	Picard	......	.00½	.....	.....	.....
1	.02½	.00½	Porc. Crown	......	.00½	.....	.....	.....
1	.02	.00½	Potter Doal	1,000	.00½	.00½	.00½	.00½
1	.45	.30	Powell Rouyn	......	.30	.....	.....	.....
1	.99	.40	Premier Gold	19,520	.80	.85	.66	.66
1	.02½	.00½	Preston E. Dome	1,500	.01	.00½	.00½	.00½
No	.25	.07	Quemont	......	.08	.....	.....	.....
1	.06	.00½	Ribago	23,500	.04	.04½	.03½	.03½
1	.34	.24	Rich. Rock	......	.33	.....	.....	.....
1	.15	.01½	Ritchie	29,800	.03	.03	.02½	.02½
1	.04	.00½	Robb Montbray	......	.01	.....	.....	.....
1	.05	.04	Rubec	......	.04	.....	.....	.....
No	.45	.25	San Antonio	5,282	.40	.45	.40	.40
1	.21	.10	Seven Troughs	......	.10	.....	.....	.....
1	1.25	.40	Sherritt Gordon	57,897	.95	.95	.70	.74½
1	.71	.36	Siscoe	30,628	.66½	.70	.65	.67
1	.18	.02	South Keora	2,500	.04	.04	.03½	.03½
No	.05	.01	Stadacona	19,000	.01½	.01½	.01½	.01½
1	.20	.03½	St. Anthony	......	.07	.....	.....	.....
No	.81	.35	Sudbury Basin	13,150	.72	.75	.55	.55
1	.03	.01	Sudbury Contact	......	.01½	.....	.....	.....
1	.03½	.00½	Sudbury Mines	3,000	.00½	.00½	.00½	.00½
No	.04½	.01	Sudbury Nickel	......	.03	.....	.....	.....
1	.19	.07	Sullivan	3,000	.07	.11	.10	.11
1	1.14	.48	Sylvanite	20,400	.67	.68	.65	.65
1	.20½	.04	Tashota	24,200	.11	.13	.10	.12
1	8.65	4.65	Teck Hughes	14,079	6.00	6.00	5.60	5.65
1	.10½	.10	Telluride	......	.01	.....	.....	.....
1	.01½	.01	Timiskaming	1,000	.01	.01½	.01½	.01½
1	.06½	.02½	Thom. Cadillac	2,000	.03½	.04	.03½	.04
1	.02½	.00½	Tough Oakes	......	.01	.....	.....	.....
1	.63	.17	Towagmac	700	.35	.35	.35	.35
No	2.65	.95	Treadwell	110	1.60	1.31	1.30	1.30
No	2.85	2.40	Tri-Metals	......	1.85	.....	.....	.....
1	.15	.04½	United Kirkland	1,500	.09	.08	.07½	.07½
1	.03	.01½	Vacuum Gas	......	.02	.....	.....	.....
No	.86	.35½	Ventures	67,710	.64	.65	.55	.57
1	.19	.01½	Vickers	1,700	.17	.17	.14	.14
1	1.22	.50	Vipond	16,600	.63	.70	.60	.61
No	2.00	.90	Waite Ackerman	1,900	1.25	1.30	1.01	1.01
1	.02½	.01	West Tree	......	.19	.....	.....	.....
1	.27	.03½	White Lake	1,000	.04½	.06	.06	.06
1	.06	.01½	Wiltsey	1,500	.02	.01½	.01½	.01½
No	.01½	.00½	Windfall Rain	......	.01	.....	.....	.....
	.13	.03½	Wood Kirkland	......	.04	.....	.....	.....
No	3.25	1.85	Wright-Hargreaves	79,016	2.99	3.21	2.99	3.08
1	.30	.12	Acme	8,700	.18½	.18	.16½	.16½
1	.37½	.05	Alta. Pacific	8,570	.14	.18	.13½	.14
1	.08	.07	Amalgamated	......	.08	.....	.....	.....
No	.25	.04	Associated	6,325	.10	.10½	.10	.10
1	1.89	1.00	Ajax	5,100	1.14	1.20	1.14	1.18
No	.12	.02	Baltac	2,900	.04	.07	.05	.05
1	.07	.02	Black Diamond	......	.02	.....	.....	.....
1	.36	.05	Brit. Dominion	300	.07	.06½	.06	.06
1	.32	.03	Calmont	4,200	.10	.10	.08	.08
No	.82	.20	Calgary & Ed.	1,135	.50	.55	.40	.44
1	.47	.06	Comm. Pete.	......	.10	.....	.....	.....
No	.29½	.26½	Crudome	......	.28½	.....	.....	.....
No	.60	.12	Dalhousie	5,090	.22½	.38	.30	.30
No	.08	.01½	Devenish	......	.01½	.....	.....	.....
No	.12	.01½	Dome Oil	2,100	.02	.05	.03½	.03½
No	.60	.05	East Crest	2,100	.17	.18	.17½	.18
1	.05	.00½	Fabyan Pete.	......	.00½	.....	.....	.....
No	.60	.05	Foothills	1,000	.06	.20	.15	.20
No	.18½	.02	Freehold	7,500	.05	.07	.05	.05½
1	.02	.00½	Great West	......	.00½	.....	.....	.....
No	.17	.03	Hargal	100	.03	.03½	.03½	.03½
No	.10	.03	Herron Pete.	......	.03½	.....	.....	.....
No	.07½	.02	High Sarcee	2,000	.05½	.06	.05½	.06
No	2.00	.30	Home	2,703	.55	.61	.45	.55
No	.22	.00½	Homestead	2,100	.04	.07	.06	.06
1	1.70	.35	Homest'd O. & G.	21,600	.55	.75	.60	.62
1	.08½	.01	Ill. Alberta	38,095	.01	.02	.01	.01
No	.70	.10½	Lowery	......	.18	.....	.....	.....
1	.05	.00½	Madison	11,800	.02	.02½	.02	.02
1	.85	.12	Mayland	4,600	.17	.29	.20	.20
No	.11	.00½	McD. Segur Ex.	16,900	.05	.05	.04½	.04½
1	.29	.01½	McD. Segur N.	200	.02	.04	.04	.04
1	.72½	.25	McLeod	674	.40	.55	.50	.53
No	.39	.07½	Mercury	28,360	.12½	.15	.12	.13
No	.20	.04	Merland	8,000	.04	.12	.08	.08
No	.38	.08	Mill City Pete.	......	.11	.....	.....	.....
1	.49	.11	Model	1,525	.13	.20	.18	.20
1	.18	.02	Monalta	......	.07	.....	.....	.....
1	.31	.05	Moose Mountain	1,000	.05	.05	.05	.05
1	.04	.00½	New Federal	......	.01	.....	.....	.....
No	.56	.13	Nordon	69,950	.23	.24	.20	.21½
No	.11	.02	Oil Selection	13,500	.04½	.05½	.05	.05
No	.28	.03	Okalta	625	.03½	.05	.05	.05
100	27.00	8.00	Do., pref.	......	9.00	.....	.....	.....
No	.22	.05	Olga Gas & Oil	26,500	.17	.18	.17	.18
1	.37½	.18	Petrol	500	.20	.20	.20	.20
No	.28	.01	Penn. Pete.	56,500	.03	.03½	.02½	.02½
No	.25	.07	Ranchmen's	200	.13	.13	.13	.13
1	.05	.01½	Regent	500	.02	.01½	.01½	.01½
No	.13	.01½	Richfield	2,300	.02	.03	.02½	.02½
No	17.75	5.00	Royalite	445	[illegible].75	11.00	[illegible].50	[illegible].75
1	.82	.20	Sarnia Oil	......	.20	.....	.....	.....
1	.06½	.01	Signal Hill	1,700	.04½	.06	.04	.04
No	.27	.10	Southwest Pete.	500	.10	.10	.10	.10
No	.60	.12	Spooner	570	.13½	.19	.13	.19
No	.19	.04½	Sterling Pacific	1,600	.06	.10	.09	.10
.	.15	.15	Turner Basin	......	.15	.....	.....	.....
1	.16	.05	Turner Valley	......	.05	.....	.....	.....
No	.31	.05	United	10,050	.10	.14	.10½	.11
1	.15½	.05	Vulcan	60	.09	.15	.12½	.12½
No	.05	.00½	Wainwell	6,100	.01	.01½	.00½	.01½
1	.28	.08	Waite Valley	......	.08½	.....	.....	.....

VANCOUVER STOCK EXCHANGE
(Transaction for Week to November 10)

Par Val.	Range 1931 High	Range 1931 Low	Company	Sales	Close Nov. 9 (or last)	High for week	Low for week	Close Nov.16
25c	.01	.00½	Bayview	......	.00½	.....	.....	.....
20c	.07½	.01	Beaver Silver	136,150	.02½	.07½	.02½	.07
25c	.06	.00½	Bluebird	16,200	.01½	.06	.02	.05
25c	.80	.40	B. C. Silver	500	.40	.80	.75	.80
25c	.02	.00½	Cork Province	12,000	.01	.02	.01½	.02
1	.29	.06	Cotton Belt	......	.10	.....	.....	.....
1	.02	.02	Dalhousie	5,000	.....	.02	.02	.02
1	.04	.02	Dunwell	......	.02	.....	.....	.....
1	.10	.02	Duthie	13,000	.02	.03	.02	.03
1	.90	.30	George Copper	1,500	.40	.70	.40	.60
50c	.05	.01	Geo. Enterprise	......	.02	.....	.....	.....
1	.05½	.01½	Georgia River	240,950	.03	.05½	.02	.05½
50c	.02½	.02½	Glacier	......	.02½	.....	.....	.....
10c	.01	.01	Gladstone	......	.01	.....	.....	.....
1	.45	.17	Golconda	2,300	.17	.35	.30	.35
50c	.10	.03	Grandview	38,600	.07	.10	.06	.09½
No	27.50	17.00	Howe Sound	......	21.25	.....	.....	.....
1	.17½	.09	Intern. Coal	......	.09	.....	.....	.....
1	.02	.01	Independence	35,000	.01	.02	.01	.01½
1	.02	.01	Indian Mines	10,000	.01	.02	.02	.02
1	.43	.22	Jack Waite	......	.22	.....	.....	.....
25c	.02	.00½	Kootenay King	12,000	.00½	.02	.01½	.01½
25c	.00½	.00½	Lakeview	......	.00½	.....	.....	.....
25c	.02	.00½	L. & L.	......	.02	.....	.....	.....
1	.12	.12	Los Ang. Van.	......	[illegible]	.....	.....	.....
1	.12½	.06	Lorne Gold	38,600	.09	.10½	.09	.09½
10c	.04	.01½	Lucky Jim	11,000	.01½	.04	.03	.04
2.50	.01	.00½	Marmot Gold	......	.10	.....	.....	.....
50c	.01	.00½	Marmot Metals	......	.00½	.....	.....	.....
25c	.00½	.00½	Mohawk	......	.00½	.....	.....	.....
1	.25	.14	Montana Mines	......	.17	.....	.....	.....
1	.05	.01	Morton Woosley	......	.02½	.....	.....	.....
50c	.05½	.01	National Silver	69,700	.01½	.05½	.01½	.04½
50c	.10½	.04	Noble Five	156,600	.03½	.10½	.03½	.09½
50c	.12½	.02	Oregon Copper	21,500	.02	.03½	.02½	.03½
1	2.70	1.23	Pioneer Gold	270	2.65	2.70	2.55	2.65
No	.02	.00½	Premier Border	32,000	.00½	.01½	.00½	.01½
50c	.13	.03	Porter Idaho	27,[illegible]	.06	.13	.06½	.11
No	.55	.20	Reeves McDonald	7,240	.30	.45	.28	.40
1	.28	.11	Reno Gold	16,000	.12	.23	.12	.23
1	.04	.01½	Rufus Argenta	500	.01½	.03	.03	.03
1	.09	.02½	Ruth Hope	27,300	.04	.09	.04½	.07½
1	.07½	.04	Silverado	10,700	.05½	.07½	.04	.07½
25c	.04½	.00½	Silver Crest	43,850	.00½	.04½	.02	.04
50c	.05	.00½	Snowflake	......	.02	.....	.....	.....
1	.45	.25	Sunloch	......	.25	.....	.....	.....
50c	.02½	.01	Topley Rich	......	.02	.....	.....	.....
5	.20	.05	Toric	......	.05	.....	.....	.....
20c	.01	.00½	Wellington	......	.01	.....	.....	.....
1	.07½	.02	Whitewater	11,300	.03	.07½	.05	.07
No	.03½	.00½	Woodbine	14,000	.00½	.01½	.01½	.01½

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Cons. Smelters	$2.50+a	3.20	Premier	12c.	....
Dome Mines	$1	9.80	Pioneer, B.C.	12c.	4.52
Granby	$1		Royalite	50c.	....
Hollinger	65c.+5	11.02	Spooner Oils	6c.	....
Howe Sound	$2	....	Sylvanite	4c.	....
Inter. Nickel	20c.	1.79	Teck Hughes	60c.+5	11.50
Lake Shore	$2+50c.	8.62	United Oils	5c.	....
McIntyre	$1	4.85	Wellington Oil	5c.	....
Mercury Oil	5c.	....	Wright-Har.	10+2½c.	4.05

a. Stock bonus 1 share for each 20 shares held.

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Canadian Mining News

TECK-HUGHES DEEP LEVELS ENCOURAGING

Lean Levels from 26th to 29th Followed by Better Ore Deeper

DEEP TEST STARTED

Denison Stock Not Being Sold—Victor Ross Added to Directorate

The first annual meeting of shareholders of Teck-Hughes Gold Mines, to be held in Canada, took place in Toronto on November 17. That the move was a popular one was testified to by the large attendance and the interesting questions asked. Albert W. Johnston, president of the company, was chairman and received a vote of thanks from the shareholders for the genial and diplomatic way in which he conducted the meeting.

Many questions were asked and the frank manner in which they were answered left no doubt as to the willingness of officials to present to shareholders the picture of the property as it exists today. D. L. H. Forbes, general manager, reviewed the new developments at the mine at depth and said in recent months it had passed through some trying conditions, owing to the ore on some of the lower levels being of a grade and tonnage below the mine average. On the 26th level drifting had encountered 247 ft. of ore averaging $12.55 per ton in gold over a width of 7.7 ft. On the 27th level 50 ft. of ore was developed averaging $7.10 per ton over a width of 7.4 ft. and on the 28th level 327 ft. of ore encountered averaged $13.32 per ton over a width of 10 ft. The 30th level shows 774 ft. of ore averaging $11.40 per ton over a width of 9.9 ft., while on the 31st level, 190 ft. of drifting had, up to November 16, encountered 87 ft. of ore, which was very rich in places, assays from $100 to $200 per ton not being uncommon. The 32nd is the lowest level on which development work has proceeded. At a depth of 3,875 ft., a station has been cut and crosscutting has only just cut the ore, but indications were said to be most encouraging.

Lean Horizons Not Uncommon

Mr. Forbes said that development work in the past had shown alternations between lean and rich horizons. From the first to the fifth levels the grade and tonnage were somewhat restricted. From the fifth to the seventh levels the grade and the consequent tonnage had had a sudden rise but again at the ninth level the ore pinched and grade fell. Below the tenth level the grade and tonnage improved and in some cases was extremely rich in gold.

Dealing with the reduction in grade of the estimated ore reserves, Mr. Forbes said there were several factors that were responsible for the decline over previous estimates. Lower operating costs made it profitable to treat ore that was formerly discarded as waste. Of the positive ore estimates approximately ten per cent was from below the 25th level, or a depth of 3,000 ft.

Respecting the opinion of the late Chas. Dennison, former president of the company, that the new mill would be treating ore of $18 grade, it was explained that this was his private opinion and not a company statement.

Deep Levels Promising

The management states it is prepared to follow the ore as far as it goes, and to this end work is being carried down through a south inclined winze by stages of 500 ft. No diamond drilling is preceding the sinking since it has been found that it was not reliable in ore conditions on the company's property. Equipment installed is capable of carrying sinking operations to another 20 levels or to a depth of 6,700 ft.

Gross income for the two months since the annual statement on August 31 last, was $981,862, which does not include all the premium on production.

New Director Elected

The announcement was made that a second Canadian director, Victor Ross, vice-president of Imperial Oil Ltd., had been added to the company's board. The present board was re-elected for the ensuing year. In connection with the executive officers it is interesting to know that all have served without remuneration until last year when a Canadian director was added and directors fees were then fixed at $1,000 each per year.

In response to a question it was stated that Canadian shareholders were in the majority and that in holdings of over 500 shares, Canadians held about 55 per cent and residents of the United States about 45 per cent. One persistent questioner elicited the information that the Dennison estate still held intact all its Teck-Hughes shares and that not a share had been sold in the past two years and that this estate was by far the largest individual shareholder. Mr. Johnston said he held much more than 100,000 shares and had sold no stock in the past three years. On the contrary he had acquired additional shares.

The liquidation of Teck-Hughes shares that has been taking place recently, Mr. Johnston said, came from a large shareholder who was forced to sell owing to financial troubles.

Saskatchewan Well Gives Salt Instead of Oil

The Simpson Oil Co., while drilling for oil near Simpson, Saskatchewan. 98 miles northwest of Regina, encountered a salt well at a depth of 3,445 ft., said to be the deepest salt well in the world. The brine is reported to be 98 per cent pure with a saturation of 23 per cent salt.

The company intends to erect a refining plant to evaporate the brine and produce salt on a commercial basis.

Consolidations Loom In Kirkland Lake Camp As Operations Deepen

Southern Dip of Veins Gives Importance to Parallel Properties

LAKE SHORE KEY

Interests Friendly to Lake Shore Acquire Interests in Important Properties

From Our Own Correspondent

KIRKLAND LAKE. — With the realignment of control of some of the properties to the south of and parallel to the producers in the Kirkland Lake camp, and other realignments appearing inevitable, a consolidation now appears likely as the best way to develop these properties effectively and economically. Otherwise continual duplication of heavy costs to reach the ore at present and projected mining depths would result in such an enormous total of expenditure as to be almost unthinkable.

The interest in these parallel properties to the south is aroused by the fact that the two main vein systems, extending through the camp, are steadily dipping to the south and by the additional fact that possibilities of mining to great depth are being better understood. Already a depth of 4,750 ft. has been reached by the Kirkland Lake Gold Mining Co. and depths of 10,000 and 12,000 ft. are being freely mentioned as probable future mining depths. The further knowledge that the No. 1 or south vein has been found to carry increased gold values at a depth of 2,700 ft. on the Lake Shore property lends interest to these southern properties.

The dip southward of the veins is less pronounced toward the eastern section of the camp but toward the westerly end, at a depth of 4,000 ft., there is shown to be a dip of over 1,000 ft. south from the surface showing. At 5,000 ft. this dip is more pronounced.

Kirkland Townsite

Adjacent to Wright-Hargreaves on the south is the Kirkland Townsite property, while adjoining Lake Shore on the south and southwest is the Kirkland Hudson Bay, Grozelle-Kirkland and the Minaker-Kirkland. Here realignment of control appears to be inevitable. Kirkland Townsite, it is urged, would make an interesting addition to the Wright-Hargreaves mine. Wright-Hargreaves has not shown any very keen desire to acquire the property, however, and it has remained for leading interests in Kirkland Townsite, itself, to arrange a programme of operations. A start has already been made for deep work, but the financial situation is such as to leave the future somewhat uncertain as to ultimate development and production. The logical thing to expect would be that exploration of Kirkland Townsite should take place from the lower workings of either the Wright-Hargreaves or the Lake Shore. It is to be remembered that work on these adjoining mines is already down 3,000 ft. and would give quick access to similar depths on Kirkland Townsite, whereas to install the necessary equipment and sink on Kirkland Townsite itself would cost anywhere from $500,000 to $800,000, depending upon the size of the shaft and the general equipment installed.

Kirkland Lake Hudson Bay

Kirkland Lake Hudson Bay adjoins Lake Shore on the south. The northerly boundary of the central part of this property runs closely parallel to the south or No. 1 vein of Lake Shore. The indications are that, at moderate depths, a part of the gold-bearing zone, which Lake Shore occupies on upper levels, will be found dipping into the Kirkland Hudson Bay. Although the Lake Shore company itself has not taken any steps to protect itself through acquisition of the Kirkland Hudson Bay, yet this is not alarming in that interests which control Lake Shore have within the past year acquired control of Kirkland Hudson Bay. A merger with Lake Shore is therefore to be expected eventually. Work is now being conducted toward the Kirkland Hudson Bay at the 2,700 ft. level of Lake Shore.

Minaker-Kirkland

Situated to the west of Kirkland Hudson Bay and also adjoining Lake Shore on the south is the Minaker-Kirkland property. Control of this property is held by Henry M. Porteous and J. Timmins, of Montreal. Reports were current some time ago that Teck-Hughes Mines, lying adjacent on the west and northwest, would absorb the Minaker. Such reports were erroneous. Officials of Minaker are not negotiating with Teck-Hughes and do not plan to do so. An official close to Teck-Hughes is said to have made overtures for the Minaker property some years ago. The situation at present, with control divided, is such that a deal of any kind would be difficult between Teck-Hughes and Minaker-Kirkland. Probabilities are that Minaker will ultimately be a part of Lake Shore or Kirkland Hudson Bay, in event of development on the latter, at depth, revealing valuable ore continuing into the Minaker.

Teck-Hughes Position

Due to the rate of exhaustion of Teck-Hughes ore resources in order to feed the present mill and because of the fact that Teck-Hughes occupies only about 1,325 ft. along the ore zone, acquisition of greater length of the zone would seem to be highly desirable. To sink great shafts to many thousands of feet for the purpose of mining a maximum length of 1,325 ft. is not considered the most attractive situation when it is remembered that the cost of such deep sinking could be distributed to much greater advantage over the task of mining two or three times such a length. Teck-Hughes, being shut off from possible acquisition of ore extension toward the east, appears to be left with only one alternative, namely, a consolidation with the Kirkland Lake Gold Mining Co. on the west.

Siscoe Mill Treats New Record Tonnage

Gold production by the Siscoe Gold Mines for October was valued at $67,110. In addition, $7,162 in premiums was received, making the total value of the recovery $74,272.

The mill treated 5,394 tons during the month, a record performance, with an average daily rate of 174 tons. The recovery per ton was $12.45, slightly down from the nine months' average of $14.

Directors announced that shaft sinking will be continued below the present 600-ft. horizon early next year when two new levels will be established at 725 feet and 850 feet respectively.

Signs are not lacking that at horizons below 4,000 ft., the property of the Kirkland Lake Minnig Co., may be comparable with Teck-Hughes itself at its lowest levels. The combined length of the two properties, along the ore zone, is over half a mile. There would be manifold advantages to such a consolidation. Duplication of management would be eliminated. Duplication of shafts and mining equipment would be minimized. One central mill now situated on Teck-Hughes would serve the entire property, and the net profits from the consolidated properties would probably be much greater to the shareholders of each than could be expected when operated separately.

Kirkland Lake Gold

With the Kirkland Lake Gold Mining Co's deep development improving the company's position daily, it is difficult to find an acceptable basis for negotiations for a merger of the two properties. The respective values placed on the properties practically precludes hope of merger. Teck-Hughes had the opportunity a few years ago to acquire its western neighbor for about $600,000. The option, however, was not exercised and a change in management at the Kirkland Lake Gold property made further negotiations on similar terms impossible. In this connection it is interesting to note that Kirkland Lake Gold itself protected the southern dip of its veins by acquiring the Chaput-Hughes property in 1929.

It is believed by certain shareholders of the Grozelle Mines that Teck-Hughes is anxious to acquire control of their property. Recent activity in the shares may have been caused, in their opinion, by purchases for Teck-Hughes.

It is unreasonable to think that all the present and potential producing mines in the area will be worked individually to the great depth that present indications now point. It is reasonable to assume that mergers eventually will occur and that in the not far distant future a definite move will be made toward consolidation with Lake Shore, the key company for the enlarged scope of developments. Teck-Hughes does not fit into the picture and indications point to it continuing to play a lone hand. Wright-Hargreaves is fast expanding in its development work at depth, and here again the influence of Lake Shore is significant because interests friendly to Lake Shore are known to have been gradually adding to their holdings. This, together with blocks of stock held by other friendly interests, ensures the policy of Wright-Hargreaves being largely that acceptable to and in accordance with those of Lake Shore.

New Gold Find At Island Lake Holds Promise

A despatch from Winnipeg states that two well-known Manitoba prospectors, H. S. Cowan and J. G. Reahil, have just returned from the Island Lake area where they have staked two groups of claims showing interesting gold values.

Island Lake is about 100 miles due east of Norway House at the northern end of Lake Winnipeg and is reached by a circuitous 175-mile water route from that point. One group of claims known as the Jack-of-Hearts, and another group of six claims known as the Jack-of-Diamonds, have been staked. One is on an island toward the east end of the lake, while the other group is situated about the centre. Island Lake is full of islands, said to number upward of 1,000, some of them of fair size. On one of the groups of claims the break has been traced for close to 1,000 ft. on the surface while it appears to have a width of around 30 ft. It is the intention, during the winter months, to establish camps and later to send in mining equipment by air and to erect a small 10-ton test mill to bulk-sample the ore and treat the rich surface showings.

Consolidated Smelters Options Swayze Claims

Consolidated Smelters has taken an option on the property of John McCullough and George McNeeley comprising twelve claims in Swayze township adjoining the Kenty claims on the west. The Kenty claims were the original stakings in the area and the claims required by Consolidated Smelters are on the line of strike of the original discovery.

The option price is reported to be $200,000, of which a small payment has been made, the remainder to be spread over a period of two years.

A crew of twelve men has been sent to the property to start exploration.

Hudson Bay Moves Head Office

The Hudson Bay Mining & Smelting Co. has changed its head office from Toronto to Woodstock, Ontario, according to an announcement in the Canada Gazette, of November 14.

THREE DUCK LAKE GOLD DISCOVERY SEEN PROMISING

This New Area is Already Shipper of Ore

NEW ROAD BUILT

Report By Ontario Dept. of Mines Says Formation Similar to Swayze Township Find

Chester township in the vicinity of Three Duck Lake is a new gold area that is giving promising indications of being important. Since it was thrown open for staking about a year ago work has been quietly and steadily progressing and only recently has the importance of the finds made been made public.

Three Duck Lake is about 11 miles east of Makwa, Ontario, on the Canadian National Railway, about 30 miles southeast of the recent gold find in Swayze Township. The area has been worked as a timber limit and the road to the old lumber camp from Makwa needed but little work to put it in condition for motor traffic. Through the aid of the Ontario Government this road was extended a few miles and a bridge built. This gives a good road from the railway at Makwa to the site of present operations. Only last week were the finishing touches given the last stretch of roadway.

H. C. Laird, of the Ontario Department of Mines recently completed a survey of the area and pronounced the formation the same as that found in the Swayze area. The district was formerly shown on the geological map as being largely granite, but after more careful study lately it has revealed a sedimentary belt of considerable width. Gold values are found in the quartz porphyry and greenstone, some in the form of spectacular free gold, others associated with copper sulphide.

The original stakers in the area were the Three Duck Lake Mining Partnership, a private syndicate composed largely of Toronto men, who staked approximately 1,000 acres in Chester Township on and adjacent to Three Duck Lake. Eight veins have been located on this property, all carrying free gold and varying in width from a few inches to as high as 15 ft. Operations to date have been confined to test-pitting and channel sampling, which has shown some spectacular values. One vein has been traced for a distance of a mile-and-a-half with free gold showing in five places on the strike.

This group plans to immediately start shaft-sinking on the vein with an objective of 100 ft. depth. Next spring it is proposed to take in a ten-ton test mill to treat the high-grade ore and bulk-sample the property.

Cyril T. Young early this spring acquired the Shannon property immediately to the west of that owned by the Three Duck Lake Mining Partnership. On this property some high-grade sulphide ore carrying high gold values has been encountered. As evidence of the progress made it is interesting to know that Mr. Young has already bagged and shipped a 40-ton carload of ore to the International Nickel smelter at Sudbury. Returns from this shipment averaged $107 per ton in gold with approximately $10 per ton additional values in copper and silver.

There has been a great deal of staking in the township as well as in the adjoining township of Yeo.

Other stakers in the area include R. S. Sheppard, son of W. J. Sheppard, vice-president of McIntyre-Porcupine Mines, who has staked claims immediately south of those held by the Three Duck Lake Mining Partnership, and on which a gold strike was made about six weeks ago. Russel Cryderman and P. C. Hopkins have also staked adjoining ground.

Tashota Gets Needed Funds from New York

Tashota Gold Mines, which has been developing a gold prospect in the Kowkash mining area of Ontario, is to receive finances through a New York group, according to official advice.

The company owns 840 acres in the Kowkash area, which is 320 miles west of Cochrane, about 14 miles south of Tashota, Ont., on the Canadian National Railway. Operations started in 1929, but following Stobie, Forlong & Co. going into liquidation financing was interrupted.

One vein is traced for a length of approximately 1,500 ft. Trenching indicated the existence of several commercial ore shoots and a shaft was sunk on the eastern end of this zone, to a depth of 200 ft. and levels established at the 100 and 200 ft. horizons.

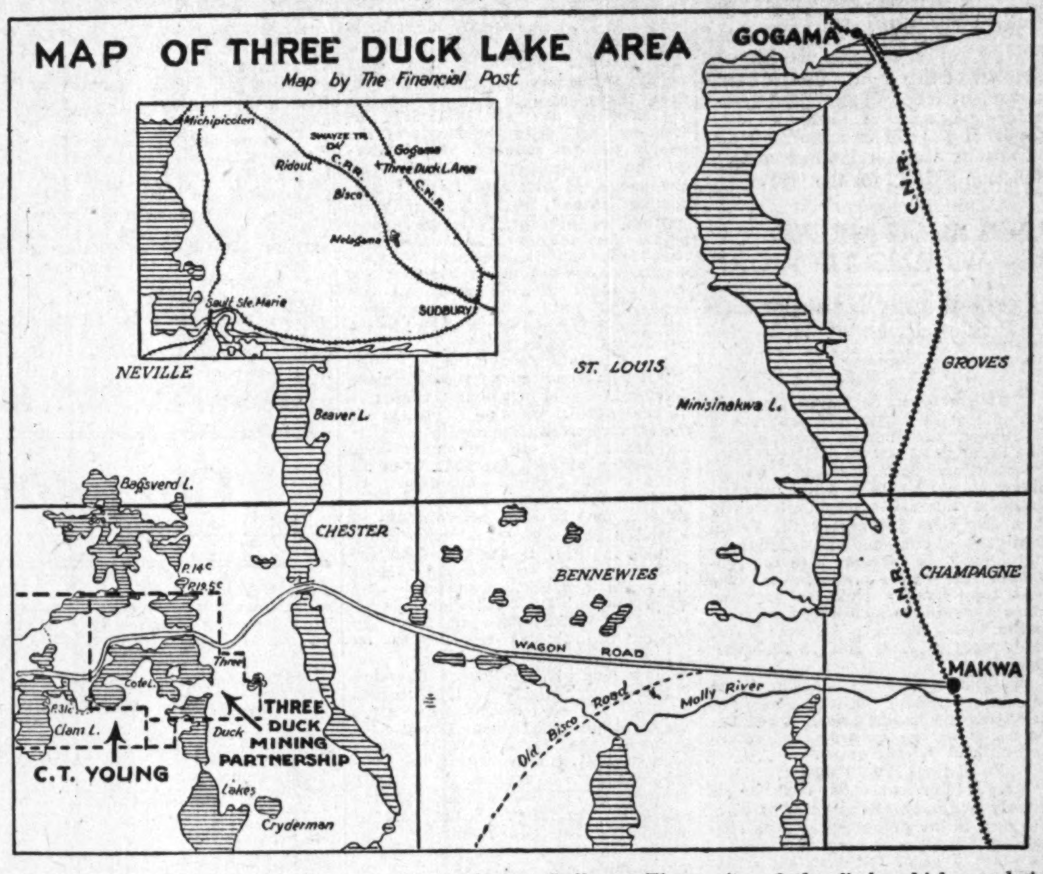
Diamond drilling on the western extremity of the zone has indicated what is regarded as an important discovery on what is known as the "D" vein. Recently, drifting was resumed on this vein on the 200 ft. level. Officials now plan putting down a three-compartment shaft to an immediate depth of 500 ft.

DIVERGENT VIEWS ON ABANA OFFER

Recently shareholders of Abana received a letter from A. B. Robinson, president of the company, submitting an offer from Mining Corp. with a personal letter of Mr. Robinson's in which he stated that he considered the proposal both fair and generous, and urged the acceptance of the offer.

Some of the Abana directors who are opposed to the terms of the offer, have addressed a letter to the president declaring that a special meeting of shareholders should be called to consider the offer "rather than have the shareholder railroaded into such an agreement which would probably annul any rights which the shareholder might now posses." The letter is signed by the following directors: A. Lamarre, R. D. Day, Charles Spearman and A. Chabot.

Three Duck Area Accessible to Railway



This new area is being actively prospected and already shipments of high-grade ore have been made to the smelter at Sudbury. The Ontario Government recently completed a motor road to the site of the finds which are but 12 miles from Makwa on the Canadian National Railway.

Ontario's Gold Mines Report Record Period

Nine Months Report By Department of Mines Shows 30 Per Cent Increase in Ore Treated Over Similar Period

The October statement of production by Ontario's gold mines, as compiled by the Ontario Department of Mines, shows the Kirkland Lake camp as having a new record production, valued at $1,981,189, or an average recovery of $13.05 per ton of ore treated.

This compares with the production by the Porcupine camp of $1,671,035 or an average recovery of $6.36 per ton treated.

The mines contributing to this production in the Porcupine district in order of output are as follows: Hollinger, McIntyre, Dome, Coniaurum, Vipond, and March Gold.

In the Kirkland Lake area the order of output is as folows: Lake Shore, Teck-Hughes, Wright-Hargreaves, Sylvanite, Kirkland Lake Gold, and Barry-Hollinger.

In Northerwestern Ontario the order of output is as follows: Howey, Minto, and Parkhill.

The most prosperous section of Ontario's mining industry during the first nine months of the year was gold mining. While the average grade of ore treated in the mills fell from $9.15 per ton in the first nine months of 1930 to $8.50 in 1931, there was a marked increase in the quantity milled which rose from 2,825,397 tons to 3,683,682, or a gain of about 30 per cent. This increase was mainly due to the bringing in of the new Dome mill of 1,500 tons daily capacity, and to the enlarged mills at the Lake Shore and Teck-Hughes, the Lake Shore being increased from 1,375 tons to 2,400 tons per day and the Teck-Hughes from 925 tons to 1,300 tons. Completion of the new McIntyre mill has had the result of raising the average daily rate of 1,580 tons in September 1930 to more than 1,800 tons for the corresponding month this year, while the Howey rate increased from 442 tons to 623 tons. The total tonnage of gold ore milled daily in Ontario during September this year was 14,185 as against 10,700 tons for the same month of last year.

Figures of gold output from all sources during the first nine months of 1931, as reported to the Ontario Department of Mines, were 21.3 per cent in excess of the corresponding figures for 1930. Indications are that the total gold production of the province for the calendar year 1931 should reach 43 million dollars, an amount practically equal to the total Canadian output in 1930. Detailed statistics for all the mines, with comparative figures by camps for 1930, are shown in the following table:

Ontario Gold Output

Area	Ore milled tons	Gold oz.	Gold $	Silver oz.	Silver $	Total Value (1) $
Porcupine						
Coniaurum	97,904	25,383	524,715	3,506	963	525,678
Dome	406,350	129,656	2,680,218	12,040	3,299	2,683,517
Hollinger	1,225,880	363,458	7,512,340	71,640	19,741	7,533,081
March	44,393	7,966	164,672	560	155	164,827
McIntyre	440,825	167,774	3,468,209	39,594	11,012	3,479,221
Porc.-United (2)	1,896	262	5,427	44	13	5,440
Vipond	75,279	20,934	432,744	3,752	1,195	433,939
Munro-Croesus (3)	195	121	2,499	18	5	2,504
Miscellaneous	9	141	2,971	205	48	3,019
Total	2,292,231	715,698	14,794,795	131,359	36,431	14,831,226
Kirkland Lake						
Barry-Hollinger	8,169	2,678	55,364	353	97	55,461
Kirk. Lake Gold	38,778	21,189	438,027	2,601	723	438,750
Lake Shore	603,930	378,324	7,820,648	83,303	23,046	7,843,694
Sylvanite	67,352	32,659	675,122	8,739	2,447	677,569
Teck-Hughes	322,110	226,350	4,679,063	18,080	4,975	4,684,038
Telluride (4)	80	40	827	31	8	835
Wright-Hargreaves	194,726	101,802	2,104,427	11,040	3,051	2,107,478
Total	1,235,145	763,042	15,773,478	124,147	34,347	15,807,825
Northwestern Ontario						
Adair G. H. (Tashota)	34	15	313	6	2	315
Howey	147,011	29,528	610,403	11,201	3,068	613,471
Kenora Prospectors	32	186	3,844	41	9	3,853
Minto (5)	5,561	1,305	26,976	44	12	26,988
Parkhill (5)	3,668	840	17,362	56	15	17,377
Total	156,306	31,874	658,898	11,348	3,106	662,004
Total for gold mines	3,683,682	1,510,614	31,227,171	266,854	73,884	31,301,055
Miscellaneous						
Nickel-copper	....	10,742	222,056	....	....	....
Copper-lead-zinc	....	9	186	....	....	....
Total	....	10,751	222,242	....	....	....
Total gold output	....	1,521,365	31,449,412	....	....	....

(1) In addition to the values given, exchange premium amounted to $55,211.58 at Porcupine; $68,004.45 at Kirkland Lake and $792.33 in Northwestern Ontario, or a total of $124,008.36.

(2) Closed down at end of March.

(3) Munro-Croesus commenced milling in August.

(4) Mill destroyed by fire on June 10.

(5) Minto and Parkhill at Michipicoten commenced milling in June and July, respectively.

Dominion Figures Disclose Gold Output Up 30 P.C.

The gold production figures prepared by the Dominion Bureau of Statistics for the three months ended September 30, last, show that Canada's gold production had advanced 30 per cent over the corresponding period in 1930.

Copper production continues to decline, reflecting the declining price for this metal, which in September averaged 6.988 cents per pound as compared with 7.292 cents per pound in August. The price prevailing for electrolytic copper at the close of September was 6.77 cents per pound.

Lead production, too, showed further decline in September owing to curtailed operations at the Trail smelter, the principal lead producer in Canada. September London prices averaged 2.4935 cents per pound as compared with 2.5949 cents per pound in August.

Refined zinc produced by the refineries of the Consolidated Mining & Smelting Co., at Trail, and by the Hudson Bay Mining & Smelting Co., at Flin Flon, Man., made up Canada's zinc production in September with a new low output for the year. The average price for zinc in the London market for September was 2.4245 cents per pound.

The following tabulation gives the Dominion production of gold, copper, lead and zinc for September and August with totals for the nine months period of the current year compared with previous years.

	Gold oz.	Copper lbs.	Lead lbs.	Zinc lbs.
Sept., 1931	240,222	24,887,931	19,099,117	16,433,590
Aug., 1931	225,630	27,159,496	21,148,583	19,198,013
Sept., 1930	178,291	26,044,280	27,168,676	25,603,361
Nine Months Ended:				
Sept., 1931	1,962,889	225,000,709	208,541,164	190,148,006
Sept., 1930	1,497,757	236,090,030	252,117,370	193,939,365
Sept., 1929	1,426,298	177,883,774	239,103,849	150,636,567

O'Brien Interests Options Hedlunds

It is reported that the Hedlunds group of claims in the Matachewan area has been optioned by the O'Brien interests.

Early in September the Nipissing Mines Co. and Ventures jointly diamond-drilled these claims and their acquisition by O'Brien at this time comes as a surprise.

Index of Mining Stocks

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 67.7 for the week ending November 12, as compared with 63.0 for the previous week.

Eleven gold stocks rose from 63.5 to 66.2, four gold-copper stocks from 64.4 to 75.3, and five silver and miscellaneous stocks from 30.5 to 36.2.

New Teck Director

VICTOR ROSS

At the annual meeting of shareholders of Teck-Hughes Gold Mines held in Toronto, November 17, it was announced that a second Canadian director, Victor Ross, vice-president of the Imperial Oil Ltd., had been added to the board.

INT. NICKEL CUTS DIVIDEND PAYMENT TO 20 CENT RATE

Five Cents Per Share Are Payable on December 31

The International Nickel Co. of Canada has declared a quarterly dividend of five cents per share on the common stock of the company payable December 31, to shareholders of record on December 1.

This represents a cut in dividends to an annual basis of 20 cents per share as compared with the 40-cent rate paid on September 30 last. It is the third reduction in dividends during the current year. On December 20 last the prevailing rate was $1 per share. With the March 30 disbursement this was reduced to a rate of 60 cents per share, followed by a further reduction to a rate of 40 cents per share with the disbursement on September 30. With the payment on December 31 next, the total distribution for the year will average 45 cents per share on the common stock as compared with $1 per share in 1930.

Earnings for the nine months ended September 30 last were 17 cents per share with one cent per share earned in the three months ended September 30 last. Present indications are that the fiscal year with earnings of less than 20 cents per share, while dividends will have amounted to 45 cents per share.

It is evident that in continuing dividends the officials of International Nickel are desirous of not interfering with the seven years' dividend record required for investments held by insurance, loan and trust companies and similar organizations. If the dividend had been passed entirely, it would preclude further commitments by these investors until such time as a seven years' uninterrupted dividend policy had again been established.

It is evident too, that the earnings of The International Nickel Co. are at low ebb and that any tendency toward improved economic conditions will be beneficial.

The balance sheet as at September 30 showed cash, demand and time loans as totalling $3,149,747. The five-cent dividend payable on December 30 next will make inroads into this cash position to the extent of approximately $725,000 and while bringing the company's cash position to the lowest it has been in many months it will not necessarily be impaired as its principal capital expenditures have been made and there will be little need for further commitments of this order. The earnings for the last quarter are the lowest in many years, and while the last quarter of the year is not ordinarily one in which heavy purchases of nickel are expected, the war clouds overhanging the Orient may have an effect in stimulating a demand for nickel.

HECLA MINING CO. SHIPS HIGH GRADE FROM UNION MINE

One of Highest Grade Shipments to Leave Province

One of the most valuable carload shipments of gold ore made in British Columbia left Grand Forks the latter part of October. The shipment was made by the Hecla Mining Co. from its Union property and was valued in the neighborhood of $50,000 in gold. It was consigned to the smelter at Kellogg, Idaho.

In 1927 the Hecla Mining Co. acquired the property known as the Union claims from the Union Mining & Milling Co., at a cost reputed to be around $160,000. The property is situated in the Franklin camp, about 45 miles north of Grand Forks, near the Granby River in British Columbia. Title to the property is held by J. F. McCarthy, president and general manager of Hecla, which is a well-known and long-established mining enterprise with headquarters at Wallace, Idaho. A 150 ton mill is on the property and concentrates made have in the past been shipped to the smelter at Trail. During 1930 a total of 36,886 tons of ore was milled, concentrates from which showed a ratio of gold to silver of one to thirty-six. In 1930 in the No. 3 tunnel a dacite-porphyry dyke was struck, which is believed to be responsible for the high gold values in the ore near its contacts. Originally, the ore mined averaged between $9 and $10 per ton in gold and silver, but chiefly in silver. Considerable interest is attached to the high-grade shipment made as it is understood that further shipments of a similar nature are to go forward at an early date.

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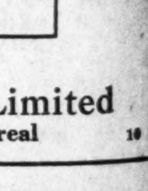

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